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CENTER FOR INTERNATIONAL INDUSTRIAL PROPERTY STUDIES OF THE UNIVERSITY OF STRASBOURG

WORLD INTELLECTUAL PROPERTY ORGANIZATION

NATIONAL INSTITUTE OF INDUSTRIAL PROPERTY OF FRANCE

# TRAINING COURSE ON THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF INDUSTRIAL PROPERTY

organized by the World Intellectual Property Organization (WIPO)

in cooperation with

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and

the National Institute of Industrial Property (INPI) of France

Strasbourg, September 16 to October 4, 1991

PROGRAM

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1168/92

ORGANISATION MONDIALE DE
LA PROPRIÉTÉ INTELLECTUELLE
OMPI
BIBLIOTHÈQUE

Monday, September 16

Morning — Opening ceremony
Presentation of the participants

Afternoon — Historical insights into industrial property rights

[Mr. François Savignon, Professor, Advisor to the CEIPI, former Director of the National Institute of Industrial Property (INPI) (Paris)]

Reception

Tuesday, September 17

All day — The Paris Convention for the Protection of Industrial Property; Harmonization of industrial property laws; the Patent Cooperation Treaty

- The Paris Convention for the Protection of Industrial Property

[Mr. Octavio Espinosa, Senior Legal Officer, Industrial Property Law Section, WIPO]]

- Harmonization of industrial property laws

[Mr. Octavio Espinosa]

- The Patent Cooperation Treaty (PCT)

[Mr. Octavio Espinosa]

Wednesday, September 18

All day — Patents: subject matter of protection; patentable invention (novelty, inventive step, industrial applicability); right to the patent; rights under the patent; the French patent law; protection of new technologies (biotechnology; integrated circuits)

[Maître Christian Le Stanc, Professor at the Faculty of Law at Grenoble, Expert to the Commission of the European Communities, Attorney]

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N.B. The morning sessions will take place from 9:30 a.m. to 12:30 p.m., the afternoon sessions from 2:00 pm to 5:30 pm

Thursday, September 19

Morning — Organization and management of an industrial property office: the example of the National Institute of Industrial Property (INPI)

[Miss Annick Chappard, Deputy Secretary General, National Institute of Industrial Property (INPI) (Paris)]

Afternoon — Regional Patent Cooperation: the example of the European Patent Office (EPO)

[Mr. Johan Amand, Senior Administrative Officer, International Technical Cooperation Office, European Patent Office (EPO) (Munich)]

Friday, September 20

Morning — Patent documents as a source of technological information: structure of patent documents; establishment of patent documentation; equipment and methods for patent documentation searching

[M. André Roussel, Examiner, General Directorate 1, European Patent Office (EPO) (Berlin)]

Afternoon — New methods of patent information storage and access: CD-ROMs

[Mr. Johan Amand]

Computerized patent searching

[Mrs. Irène Savignon, Head of Division, National Institute of Industrial Property (INPI) (Paris)]

Monday, September 23

Morning — The role of industrial property in technology transfer, particularly to developing countries

[Mr. Claude Pascaud, Authorized Agent to the European Patent Office (EPO), former Chief Engineer at the Industrial Property Department of the Pechiney Group]

Afternoon — The role of an industrial property service in industry, its relations with the research and development service, the manufacturing service and the legal and commercial services

[Mr. Claude Pascaud]

Tuesday, September 24

Morning — Factory visit (BASF)

Afternoon — Excursion to Heidelberg (Germany)

Wednesday, September 25

Morning — Trademarks: general theory of trademark law (comparative law); choice of trademarks; counterfeiting and defense of trademarks

[Mr. Yves Plasseraud, Patent Attorney (Paris)]

Afternoon — The role of industrial property agents; working of an industrial property agent's office; structure of the profession

[Mr. Yves Plasseraud]

Thursday, September 26

Morning — Computer management of a trademark registration service

[Mrs. Kerstin Sundström, Head of Department, Swedish Patent and Registration Office (Stockholm)]

Afternoon — Appellations of origin: the French experience; the multilateral treaties

[Mrs. Marie Hélène Bienaymé, Head of Legal and Foreign Division, National Institute of Appellations of Origin for Wines and Spirits (INAO) (Paris)]

Friday, September 27

Morning — Industrial designs: the major systems of protection for industrial designs; specific protection and copyright protection; cumulative protection

[Mr. Jean-Luc Piotraut, CEIPI (Strasbourg)]

Afternoon — Franchising

[Mr. Pierre Nuss, Industrial Property Agent, Professor at CEIPI and CETIF (Strasbourg)]

Monday, September 30

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| Morning | Multilateral treaties in the field of trademark and industrial design registration: the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989; and The Hague Agreement Concerning the International Deposit of Industrial Designs | [Mr. Salvatore Di Palma, Head, International Trademark and Industrial Design Registries, WIPO] |
| Afternoon | The international classifications in the field of marks and industrial designs: The Nice Agreeement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks; and the Locarno Agreement Establishing an International Classification of Industrial Designs | [Mr. Salvatore Di Palma] |

Tuesday, October 1

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| All day | Study of clauses in licensing contracts | [Mr. Jean-Jacques Burst, Director General of CEIPI] |

Wednesday, October 2

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| Morning | Technology transfer and restrictive trade practices | [Mr. R. Kovar, Professor at the Faculty of Law (Strasbourg)] |
| Afternoon | The obstacles to, and conditions to be created for, more efficient transfer of technology to the developing countries | [Mr. Christoph Kamm, Vice President, Countertrade, BBC Aktiengesellschaft Brown, Boveri and Co. (Baden)] |

Thursday, October 3

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| Morning | Industrial property, enterprises and development | [Mr. Bernard de Passemar, former Director of Research (Aluminum Transformation) with Aluminium Pechiney and former Director of Industrial Property and Technical Agreements with the Pechiney-Ugine-Kuhlmann Group (Paris)] |

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| Afternoon | Visit to the INPI Regional Office in Strasbourg: services to the public; dialogue with users |

Friday, October 4

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| Morning | Promotion of inventive and innovative activities |
| | [Mrs. Geneviève Gelly, Regional Delegate, National Agency for the Valorization of Research (ANVAR) (Strasbourg)] |
| Afternoon | Closing of the seminar |

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## HISTORICAL INSIGHTS INTO INDUSTRIAL PROPERTY RIGHTS

by

Mr. François Savignon
Professor
Advisor to the CEIPI

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Competition Factors in the Market Economy

Competition between the producers of goods and services and between traders involves factors such as differences in price, quality, reputation of enterprises, which depend solely on the market and on the initiative of manufacturers, providers of services and traders.

Institutionalized Competitive Advantages

However, governments frequently intervene to institute, under the most varied of forms, competitive advantages in favor of certain economic agents.

Within that type of intervention by the State, we may find the industrial property rights that afford institutionalized competitive advantages:

- to inventors of new technologies, through a patent,

- to the creators of new industrial shapes, through an industrial design,

- to the producers of produce of quality due to its geographical origin, through the protection of appellations of origin.

The industrial property rights in trade names, trademarks and the repression of unfair competition are based on a somewhat different concept: intervention by the State aims at guaranteeing to each person the identity of his enterprise (trade name), that of his goods and/or services (marks) and the possibility of defense against the activities of competitors who do not abide by the rules of fair competition.

The Permanent Characteristics of Industrial Property Protection

Before looking at the historical development of protection for the various subject matters of industrial property, we must first set out the permanent characteristics displayed by protection which must be borne in mind in order to identify the continuity of protection throughout its various changes in form over time.

The permanent element of protection is constituted by intervention on the part of the authorities, either in the form of individual decisions (lex privata) or in the form of regulations automatically applied to all persons satisfying the conditions laid down by those regulations, the aim of such intervention being to establish or consolidate a situation that is more favorable to the beneficiaries than to their non-beneficiary competitors.

Although our topic is restricted to intervention by the authorities in respect of industrial property, we should not forget that the competitive advantages instituted or consolidated by government have also concerned financial measures (protective customs duties, tax rebates, subsidies and low-interest loans), the exclusive right to pursue a certain activity (flag monopoly for overseas trade, establishment privileges, chartered companies for trading with certain countries) and other derogations from the general rules of law of which I shall give a number of historical examples. All such means

have frequently been utilized in conjunction with industrial property rights in order to develop industrial and commercial activities that are useful or simply "correct," that is to say that comply with certain rules of economic conduct.

Economic policy in relation to invention and innovation has to be considered in the light of both the effect of industrial property rights and the effect of incentives provided in other areas, notably tax and credit incentives.

The existence of intervention on the part of the authorities should not lead us to assume that such intervention is responsible for the events constituted by inventions or the creation of shapes and distinctive signs. The subject matter of industrial property was created on individual initiative and frequently the authorities did not regulate it till long after, generally at the request of producers or traders, or at least of certain of them.

The changes that are taking place before our very eyes in the subject matter of industrial property force that institution to adapt continuously:

-there are changes of technical character, brought on by the development of biotechnology, electronics and computer technology, which call for the adaptation of the legal instruments for the protection of creations;

-there are changes in marketing methods, which alter the function of distinctive signs;

-finally there are changes in the methods used by infringers, which call for stronger repressive measures.

## The Economic Agents

The extent and form of protection afforded at each period in history to the subject matter of industrial property depended on the interplay between three categories of agents:

(1) the group of persons demanding exclusive rights: inventors, innovators, creators of new products and of enterprises;

(2) their competitors, that is to say enterprises carrying out their activities in the same branch of production or trade, but little concerned by exclusive rights;

(3) the State, responsible for acting to create and regulate exclusive rights, and whose stated aim is generally to develop national economic activity and to defend the consumer.

The history of protection for the subject matter of industrial property is not the same for inventions and for trademarks, which constitute the oldest recognized subject matter. I shall therefore deal separately with the history of protection for inventions and the history of trademarks and will give just a brief outline of the history of the other subject matters of industrial property protection.

## The History of Protection for Inventions

Although even earlier examples may have been cited,[1] it was in western Europe in the fifteenth century that rulers began to grant privileges[2] for new manufactures or processes.

### Antiquity

Antiquity's indifference to the encouragement of invention is generally attributed to the disdain in which technical activities were held by the Greek and Roman elite; although the sciences, particularly geometry and astronomy, were brilliantly pursued throughout the Greek and Alexandrian worlds, those such as Archimedes, who indulged in both scientific discoveries and technical inventions, were few and far between.

It has been observed that the abundance of slave labor, frequently renewed following the victorious wars against the "barbarians," had the twofold effect of liberating freemen from mechanical tasks and of masking the need to spare human labor. However that may be, nothing would suggest that classical antiquity, that had inherited a rich technical know-how from prehistorical and protohistorical civilization, possessed any system to encourage inventions, although that does not mean that some inventors may not have been rewarded.

The same would seem to apply, as far as we are at present aware, in the great civilizations of Asia and of pre-Columbian America. The outstanding technical achievements of those civilizations would not appear to result from any special system of protection or encouragement for inventions.

### The Middle Ages; The Guilds

Although it was in no way an infertile period for inventions (watermills, windmills; development of the harnessing of horses), the European Middle Ages have left no traces of a system of protection. Production grew progressively, particularly in the cities that had obtained more or less full autonomy from the feudal lords, in the shape of groups of master craftsmen who, while they were relatively open-minded and receptive to change at the beginning, gradually adopted increasingly strict regulations; processes and material were stringently checked. The guilds opposed innovations likely to enable one of their members to increase his production, to reduce his costs and thus efficaciously compete with his fellow craftsmen, and also make it impossible for the craft inspectors to check that each craftsman worked in accordance with the traditional procedures authorized by the guild. The guild system, that was egalitarian within the fairly narrow limits of an urban economy, ended up by considering innovation as an act of unfair competition.

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1 In the "Banquet of the Wise," in the third century B.C., Athenaeus recounts how, according to the historian Pylarch, in Sybaris an official text laid down that the inventor of any new dish was to enjoy an absolute monopoly for a period of one year.

2 In Roman Law, this meant a law enacted in favor or in respect of a person.

Other examples may be given of societies that were hostile to technical innovation as a factor of instability and therefore harmful to societies that were above all concerned with order and maintaining tradition. For example, in Turkey in the 18th century, printing was prohibited from 1742 to 1784; in Japan, for a period of 150 years, from 1718 to 1868, the Tokugawa shoguns imposed a strict ban on all innovation.

The appearance and development of a system of rights to encourage invention and make innovation a paying proposition was linked to the emergence of a civilization with a spirit of enterprise, which explored the world, discovered new land, which accepted change as a condition for expansion: the civilization of industrial capitalism.

## The Three Periods in the History of Patents

The history of patents did not take place at exactly the same time in all countries; I am therefore simplifying by identifying the following three periods:

(1) privileges (15th to 18th centuries): the sovereign grants a monopoly only where he sees fit; the concept of utility and sometimes that of favoritism play an important part;

(2) national patents (1790 to 1883): every inventor is entitled to apply for a patent, the grant of which depends solely on objective conditions; protection of domestic inventions abroad is not entertained;

(3) internationalization (1883 to the present): protection of inventions outside their country of origin is developed along with international trade; worldwide or regional conventions assist this development.

### (1) Privileges

A privilege is an instrument by which the sovereign affords a special right to an individual. That right was generally made public in the form of open letters (litterae patentes, which gave the word patent). These privileges could contain rights of very differing kinds for the beneficiary[1] and the reasons for granting them were also very varied. The privileges granted for the working of mining deposits are held to be the forerunners of the industrial privileges. The earliest privileges conferred for the working of a new technique made no distinction between an inventor in the modern sense of the word and the person who introduced a technique already known abroad. The concern of the sovereign was that the innovation replaced imports by a new domestic industry. The Republic of Venice was the first to adopt a statute for this form of privilege, the "Parte Veneziana" of 1474.

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1 In particular: exemption from the guild rules, exemption from taxation, allocation of land, interest-free loans, naturalization or even titles of nobility.

That statute already laid down the principles on which today's patents were to be built: the usefulness of new inventions for the State, the exclusive rights of the first inventor for a limited period, penalties for infringement.

England: The Statute of 1624

In addition, privileges also gave sovereigns a ready means of rewarding those that had served them or of deriving resources from the sale of lucrative exclusive rights that had nothing to do with inventions.

The grant by the English sovereigns, against payment, of privileges in respect of everyday commodities caused discontent amongst the tradespeople of London. Following a long struggle, Parliament adopted the Statute of Monopolies, in 1624, that prohibited the monarch from granting privileges by way of letters patent except in the case of "the sole working or making of any manner of new manufacture within this Realm to the true and first inventor or inventors thereof."

France: Mercantilism

The mercantilist economic system made extensive use of privileges in order to set up new industries, e.g. the royal manufactories for luxury goods that appeared in France at the instigation of Louis XIV's minister, Colbert.

The 18th Century

The system of privileges developed in England, through the action of the Courts, towards a system of grants based solely on procedural conditions of which some, such as submission of a detailed "specification" required as of 1711, gave a foretaste of today's patents.

As from 1760, the number of patents granted in England grew rapidly in direct relation to the Industrial Revolution. In the other countries, however, where industrialization began at a later date, the number of patents remained low; in France, the discredit expressed in general in respect of all hindrances to the freedom of production and trade, together with the poor results generally obtained by the owners of "letters patent," led the monarch to decide that these beneficiaries would lose their rights if they had not put their invention into application within a period of one year (declaration of 1762) and to reject a large number of requests for privileges.

(2) National Patents

The "Revolutions" in America and in France brought forth new institutions.

Almost simultaneously, the United States (1790) and France (1791) adopted patent laws based on the grant of a patent to all inventors provided that certain objective conditions were met. Article 1 of the French Law of January 7, 1791, was particularly significant: "any discovery or new invention, in all kinds of industry, shall be the property of its author; consequently, the law shall guarantee to him the full and complete enjoyment thereof, in accordance with the conditions and for the time to be determined hereafter."

However, the lawmaker also expressed nationalist concerns: a 1793 amendment to the law in the United States afforded patents to citizens only; in France, the person introducing foreign techniques was treated on an equal footing with the true inventor; an inventor who obtained a patent for his invention abroad after having obtained a French patent lost enjoyment of the latter!

The Expansion of Patents

The new system was extended throughout the early decades of the 19th century, particularly as a result of French law being applied in the countries conquered by Napoleon. In the monarchies, either those that had been maintained or had been restored after 1815, the principle of privileges continued, but, in practice, the right to a patent was acknowledged everywhere. As the Industrial Revolution extended to further countries, a quantitative explosion in the number of patents took place: in the years 1815 to 1820, the United States, France and Britain were the only countries that granted more than 100 patents a year. Between 1850 and 1854, these three countries each exceeded 1,000 and several other countries granted some hundreds. At the same time as this quantitative development took place, qualitative improvements were introduced. Simple importers of techniques ceased to be treated in the same way as inventors, the concept of novelty was developed, formalities were redefined and in some cases simplified. Almost everywhere, except in the United States, where substantive examination had been introduced in 1836, a system of registration predominated. Although foreigners were generally able to obtain domestic patents, it remained fairly rare for one and the same invention to be patented in a number of countries, partly because the need did not arise and partly because the complexities of procedure made multiple protection a complicated matter and one of uncertain effectiveness.

Patents and Trade Between States

However, the existence of patents was felt to constitute a hindrance to international trade; in the member States of the Zollverein,[1] the patentee lost his right to oppose imports of goods covered by the patent where they were produced in another member State of the Zollverein. With the success of free trade, for which England had given the example, it seemed that the patent system would be abandoned at the same time as the customs barriers. However, the inventors and their associates, the industrialists of the technically most developed countries, reacted and launched the idea of international protection for inventions. At the 1873 Universal Exposition in Vienna, a patent congress submitted various ideas in that respect. At the same time, an economic crisis led to a retreat in the idea of free trade and caused any idea of abolishing patents to be rejected. At Paris, during a further universal exposition, an international congress began with drawing up a solution for the international protection of industrial property. Developments continued in 1880 and a diplomatic conference finally led, on March 20, 1883, to the signing of the convention that created the Union for the Protection of Industrial Property.

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1 The Customs Union of the German States prior to the constitution of a unified Empire, in the 19th century.

(3) Internationalization

With the signing of the Paris Convention was to begin a period of internationalization of industrial property and, in particular, of the patent system. The Paris Union provided the framework within which progress was achieved, by means of the periodical revisions of the Convention, rendering the protection of inventions originating in one member country of the Union more readily obtainable and more effective in the other member countries.

At the Stockholm Diplomatic Conference in 1967, an agreement was concluded to create the World Intellectual Property Organization (WIPO) (which has become a specialized agency of the United Nations), providing the industrial property and copyright Unions with a permanent structure. The special needs and aims of the developing countries have been one of the major features of WIPO's activities.

Ever since its creation, the Paris Convention provided the possibility for member States to conclude "special agreements" between themselves as regards industrial property. This possibility has been extensively used, particularly for the conclusion of the Patent Cooperation Treaty (PCT) (1970; administered by WIPO) and the European Patent Convention (1973; administered by the European Patent Office (EPO)). These special agreements enable progress to be achieved within a restricted framework where not all member States of the Paris Union feel the need to increase their international commitment; except where such agreements have a geographical basis, they are accessible to all member countries of the Union.

## The History of Trademarks

Trademarks, as you will know, are distinctive signs that serve to identify the goods offered by a manufacturer or a salesman and the services offered by a provider of services.

Such signs may be of all kinds: words, groups of words, figures, letters, drawings, the three-dimensional shape of goods or of their packaging, colors; all such signs address the eye (although one may also hold some measures of music or a perfume to constitute a mark). Trademarks may be neither misleading for the public nor solely constituted of words or signs intended to designate or describe the type of goods or services to which the mark is applied. Finally, a trademark may not reproduce or imitate a mark that has already been granted to another person.

These characteristics of the trademark, today universally accepted and defined in the domestic laws, emerged progressively over a long period of practice in which the lawmaker only intervened at a late date.

### Antiquity

Many signs that were affixed to the corks of amphoras used for trade in oil or wine, or on ceramic articles, were known, but we have no legal texts permitting us to know whether exclusive rights subsisted in those signs.

It would seem probable that the habit of marking cattle and slaves goes back to very ancient times as a mark of ownership that was essential if masters were to recognize their property. In the same way, the marking of articles that were marketed and transported by an agent was necessary where all those articles were very similar. It is reasonable that such marks should have rapidly acquired a second function as an indication of origin,[1] since in the case of wines, for example, we know that the reputation of some areas is extremely ancient. The reputation of origin means that a mark also carries a notion of quality which may be related, independently of its geographical origin, to a manufacturer who dominates the market. Roman antiquity gives us examples of counterfeit marks which prove that marks already at that time implied a notion of quality.

The Age of the Guilds

The guilds constituted the principle form of craft production as from the time at which town life began to be reorganized, based on trades, headed by master craftsmen, who achieved that status only following apprenticeship and the completion of a masterpiece; the lower-ranking workers (later known a journeymen) and apprentices were strictly subordinate to them. The conditions of manufacture were verified by the guilds' inspectors. Various marks were used: the guild mark, the master craftsman's mark chosen once and for all when his master's status was conferred upon him; occasionally, a journeyman's mark or a local mark. These marks could take the shape of seals attached to pieces of material, or hallmarks on articles of precious metal.

The aim was to check that the organization of the profession was respected both as regards the rules of manufacture and compliance with the distribution of tasks as between the various trades. These marks, aimed at making the craftsmen feel responsible, were mostly compulsory and do not seem to have played any significant part in winning customers.

It was forbidden to use a mark belonging to someone else and the severity of penalties laid down in the 16th century for counterfeits shows that the transgression of the rules spread with the decline of the guilds (the 1544 Edict of Charles V: exclusion from the trade and severance of the right hand; the 1564 Royal Edict [France]: the death sentence for counterfeit marks on gold cloth).

Nevertheless, the guild system continued up to the end of the 18th century, or even to the mid-19th century in certain countries; in France, the guilds were abolished by the Law of March 17, 1791; the privileges of the English guilds disappeared in 1835. However, well before those dates, the guild system was already declining, losing ground to non-regulated professions, to international trade and, starting with the Industrial Revolution, to large scale undertakings. The disappearance of the guild rules led to that of the guild marks, but a new type of trademark began to appear in England as from the 18th century.

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1 Indications of source and appellations of origin became rights that were distinct from trademarks in the 19th century.

Modern Trademarks

The main purpose of modern trademarks is to constitute the central element in the strategy of firms to build up custom and to maintain it.

These marks first developed without the law taking account of them. Subsequently, provisions were introduced to repress infringement, frequently in just one branch of industry to begin with, and subsequently in a generalized manner. It was only from the mid-19th century onwards that more comprehensive laws began to be adopted: France, 1857; England, 1862; United States, 1870; Germany, 1874.

The Internationalization of Trademark Protection

This was achieved, contrary to patents, by means of bilateral trade agreements under which the States agreed to reciprocally protect the trademarks of nationals of the other contracting party. It continued with the conclusion of the 1883 Paris Convention which instituted a true international system, based on national treatment, and which comprised, as for patents, priority which facilitated the grant of a trademark abroad on the basis of an initial deposit in one of the Union countries; a special agreement, concluded in 1891, set up a system of international registration for marks amongst the member countries (Madrid Agreement with 31 member States at present; the Agreement is administered by WIPO).

Amongst the transformations undergone by trademarks since the conclusion of the Paris Convention, mention must be made of the emergence of service marks that are not used for physical merchandise, but for services such as, for example, transport, the hotel trade, banking, insurance, and so on.

The trademark has become an essential legal support for firms' promotional activities, known as marketing.

One of the most important aspects in this development is the struggle between distributors with their distribution marks and manufacturers to win a share of the market in a given product or service.

Industrial Designs

Before being incorporated in industrial articles, a design is first the work of a creator of form who is frequently an artist such as those who create works in just a single copy. It is therefore natural for it to have been the laws on the protection of artistic works that were first applied to creations used by industry. In some countries, copyright can indeed be used to obtain protection for industrial designs. However, the need for special protection, particularly the facilities as regards producing proof offered by the deposit system, led to the adoption of specific laws, initially for given industries (silk cloth in Lyons in 1806) and then for all industrial designs, in view of their industrial nature. In some countries, a distinction has been made between the two types of works as a function of their artistic nature or as a function of their application to an industrial article.

The concept of protection for industrial designs has not yet reached a degree of international unity as developed as that of inventions and trademarks. There nevertheless exists a special agreement, concluded in 1925, setting up a system of international deposit for industrial designs between the member countries (Hague Agreement, with 19 member States at present; this Agreement is administered by WIPO).

## The Synergism of Industrial Property Rights

The various industrial property rights - patents, industrial designs, trade names, trademarks, appellations of origin and indications of source - are generally studied independently, for reasons of clarity but also because the origin and early history of these various rights was mostly quite distinct both as regards their legal status and their economic applications.

The term "industrial property" first applied exclusively to the field of patents. Without joining the controversy between lawyers provoked by the word "property" and without taking sides as to the legal nature of those rights, we must recognize the merits of those lawyers who first devised ownership of rights and inventions and distinctive signs and who understood that it was possible to apply common principles to them. The first practical manifestation of this unification is to be found in the program of the "International Industrial Property Congress" which met in Paris in September 1878.

From an economic point of view, the important element was that all the rights of industrial property - and even of intellectual property - make it possible to prevent a competitor from using without authorization certain information covered by the rights concerned; this convergence in the forms of economic action was to lead naturally to the combined use of the various industrial property rights in order to acquire and maintain a preponderant situation on the market.

Although this combination of industrial property rights can take on various forms, the following schematic example can be given:

(1) a new product is conceived on the basis of a patented invention;

(2) when it is placed on the market, the name of the firm, particularly if it is already reputed for other products, and a mark to designate the new product are emphasized in the advertising which, at this stage, generally points out the technical advantages deriving from the patent;

(3) the external aspect of the new product will be subjected to a design study and the design may change to follow the trend of the overall style in fashion;

(4) technical improvements will permit the modernization and diversification of the product, emphasized by the creation of a number of models, which will be marketed, depending on the firm's strategy, under differing marks or under the original mark;

(5) where patents no longer protect the basic invention, promotion of the product will rest above all on the reputation of the trademark, that has become almost synonymous with the product without however becoming a generic term that would lose its properties as a distinctive sign and its pull on the customers; at the same time, if sales of the product begin to decline, the profit obtained under the exclusive rights during the initial phases will provide finance for new research leading to the development of new patented products; the cycle is then complete.

Conclusions

The history of industrial property rights shows us that they are essentially linked to the development of production and trade in a competitive environment.

These rights have developed along with the progress of technology and also of production and distribution methods. They will certainly develop even further. However, those involved will remain the same: inventors and innovators who demand strong protection for their industrial property; those who wish above all to copy innovations without hindrance and who are opposed to a reinforcement of industrial property; the public authorities who, normally, should take into consideration the interests of consumers and ensure that genuine and fair competition is maintained between the economic agents.

Today, rather than separate rights - patents, know-how, trade name, trademarks - we may claim that the enterprises build up an immaterial asset protected by intellectual property, basically aiming to keep their customers by using means that employ not only rational arguments but also all aspects of the purchasers' psychology.

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## THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY

Document prepared by the International Bureau of WIPO

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ANNEX

## I. INTRODUCTION

### History of the Paris Convention

1. During the last century, before the existence of any international convention in the field of industrial property, it was rather difficult to obtain protection for industrial property rights in the various countries of the world because the laws were very different. Moreover, patent applications had to be made roughly at the same time in all countries in order to avoid that a publication in one country destroyed the novelty of the invention in the other countries. These practical problems created a strong desire to overcome such difficulties.

2. In addition to those practical considerations, there was, as more and more countries developed a system for the protection of inventions during the second half of the last century, a general desire, as with other fields of law, for the harmonization of the laws of industrial property on an international and even worldwide basis. This was due to the development of a more internationally oriented flow of technology and to the increase of international trade, which made such harmonization urgent in both the patent and the trademark field.

3. The lack of adequate protection of foreign inventions became particularly apparent when the Government of the Empire of Austria-Hungary invited the other countries to participate in an international exhibition of inventions held in 1873 at Vienna. Participation was hampered by the fact that many foreign visitors were not willing to exhibit their inventions at that exhibition in view of the inadequate legal protection offered to exhibited inventions.

4. This led to two developments: firstly, a special Austrian law secured temporary protection to all foreigners participating in the exhibition for their inventions, trademarks and industrial designs. Secondly, the Congress of Vienna for Patent Reform was convened during the same year 1873. The Congress for Patent Reform passed several resolutions, setting forth a number of principles on which an effective and useful patent system should be based, and urging governments "to bring about an international understanding upon patent protection as soon as possible."

5. As a follow-up to the Vienna Congress, an International Congress on Industrial Property was convened at Paris in 1878. The main result of that second Congress was a decision that one of the governments should be asked to convene an international (diplomatic) conference "with the task of determining the basis of uniform legislation" in the field of industrial property.

6. Following that Congress, a final draft proposing an international "union" for the protection of industrial property was prepared in France. That draft was sent by the French Government to a number of other countries, together with an invitation to attend the International Conference in Paris of 1880. That Conference adopted a draft convention which contained in essence those of substantive provisions which are still today the main features of the Paris Convention.

7. A new Diplomatic Conference was convened in Paris in 1883, which ended with final approval and signature of the Paris Convention for the Protection

of Industrial Property. The Paris Convention was signed by 11 States: Belgium, Brazil, El Salvador, France, Guatemala, Italy, the Netherlands, Portugal, Serbia, Spain and Switzerland. When the Paris Convention came into effect on July 7, 1884, Great Britain, Tunis and Ecuador had adhered as well, bringing the initial number of member countries to 14. At the end of the nineteenth century, the number of member countries had risen to 19. It was only during the first quarter of this century and then in particular after World War II that the Paris Convention increased its membership more significantly. Today, the Paris Convention comprises 102 member countries (see list contained in the Annex of this document). Swaziland became party to the Stockholm Act of the Convention on May 12, 1991 and Chile on June 14, 1991, bringing membership of the Convention to 102 countries.

8. The Paris Convention has been revised from time to time after its signature in 1883. Revision Conferences were held in Rome in 1886, in Madrid in 1890 and 1891, in Brussels in 1897 and 1900, in Washington in 1911, in The Hague in 1925, in London in 1934, in Lisbon in 1958 and in Stockholm in 1967.

9. Each of the revision conferences, starting with the Brussels Conference in 1900, ended with the adoption of a revised Act of the Paris Convention. With the exception of the Acts concluded at the revision conferences of Brussels and Washington, which are no longer in force, all those earlier Acts are still of significance, although the great majority of the countries is now a party to the latest Act, that of Stockholm of 1967. Since 1974, a new process to revise the Paris Convention (Stockholm Act) has been under way. The first four sessions of the Diplomatic Conference to revise the Convention took place between 1980 and 1984. Between 1985 and 1989, six Consultative Meetings have also taken place on this matter. The Assembly of the Paris Union will discuss the procedure for the continuation of the revision process at its next ordinary session in September/October 1991.

## II. THE MAIN FEATURES OF THE PARIS CONVENTION (STOCKHOLM ACT)

### (1) General

10. The provisions of the Paris Convention may be subdivided into four main categories.

11. A first category of provisions contains rules of substantive law which guarantee a basic right known as the right to national treatment in each of the member countries.

12. A second category of provisions establishes another basic right known as the right of priority.

13. A third category of provisions defines a certain number of common rules in the field of substantive law which contain either rules establishing rights and obligations of natural persons and legal entities or rules requiring or permitting the member countries to enact legislation following those rules.

14. A fourth category of provisions deals with the administrative framework, which has been set up to implement the Convention, and includes the final clauses of the Convention.

(2) National Treatment Principle

15. The provisions concerning national treatment are contained in Articles 2 and 3 of the Convention.

16. National treatment means that, as regards the protection of industrial property, each country party to the Paris Convention must grant the same protection to nationals of the other member countries as it grants to its own nationals.

17. The same national treatment must be granted to nationals of countries which are not party to the Paris Convention, if they are domiciled in a member country or if they have a "real and effective" industrial or commercial establishment in such a country. However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of member countries as a condition for benefitting from an industrial property right.

18. This national treatment rule is one of the cornerstones of the system of international protection established under the Paris Convention. It guarantees not only that foreigners will be protected, but also that they will not be discriminated against in any way. Without that rule, it would frequently be very difficult and sometimes even impossible to obtain adequate protection in foreign countries for inventions, trademarks and other subjects of industrial property.

19. The national treatment rule applies first of all to the "nationals" of the member countries. The term "national" includes both natural persons and legal entities. With respect to legal entities, the quality of being a national of a particular country may be difficult to determine. Generally, no nationality as such is granted to legal entities by the various national laws. There is of course no doubt that State owned enterprises of a member country or other entities created under the public law of such country are to be considered as nationals of the member country concerned. Legal entities created under the private law of a member country will usually be considered a national of that country. If they have their actual headquarters in another member country, they may also be considered a national of the headquarters country.

20. According to Article 2(1), the national treatment rule applies to all advantages that the various national laws grant to nationals. This means that the national law, as it is applied to the nationals of a particular member country, must also be applied to the nationals of other member countries. In this respect, the national treatment rule excludes any possibility of discrimination to the detriment of nationals of other member countries.

21. This means furthermore, that any requirement of reciprocity of protection is excluded. Suppose that a given member country has a longer term of patent protection than another member country: the former country will not have the right to provide that nationals of the latter country will enjoy a term of protection of the same length as the term of protection is in the law of the latter country. This principle applies not only to codified law, but also to the practice of the courts (jurisprudence) and to the practice of the Patent Office or other administrative governmental institutions, as it is applied to the nationals of the country.

22. The application of the national law to the national of another member country does not, however, prevent him from invoking more beneficial rights specially provided in the Paris Convention. These rights are expressly reserved. The national treatment principle must be applied without prejudice to such rights.

23. Article 2(3) states an exception to the national treatment rule. The national law relating to judicial and administrative procedure, to jurisdiction and to requirements of representation is expressly "reserved." This means that certain requirements of a mere procedural nature which impose special conditions on foreigners for purposes of judicial and administrative procedure, may also validly be invoked against foreigners who are nationals of member countries. An example is a requirement for foreigners to deposit a certain sum as security or bail for the costs of litigation. Another example is expressly stated: the requirement on foreigners to either designate an address for service or to appoint an agent in the country in which protection is requested. This latter is perhaps the most common special requirement imposed on foreigners, and is a permitted exception from the national treatment rule.

24. As indicated initially, the application of the national treatment rule extends also to nationals of non-member countries, provided they are domiciled or have an industrial or commercial establishment in a member country. This provision is contained in Article 3.

25. The term "domiciled" is generally interpreted not to require a domicile in the strict legal sense of the term. A person is also "domiciled" in the sense of Article 3 if he lives more or less permanently in a particular place, without having his legal residence there. In other words, a mere residence, as distinct from a legal domicile, is sufficient. Legal entities are domiciled at the place of their actual headquarters.

26. If there is no domicile, there may still be an industrial or commercial establishment which gives a person the right to national treatment. The notion of the industrial or commercial establishment in a member country of a national of a non-member country is further qualified by the text of the Convention itself. It requires that the establishment be real and effective. This means that there must be actual industrial or commercial activity. A mere letter box or the renting of a small office with no real activity is not sufficient.

(3) The Right of Priority

27. The provisions concerning the right of priority are contained in Article 4 of the Convention.

28. The right of priority means that, on the basis of a regular application for an industrial property right filed by a given applicant in one of the member countries, the same applicant (or its or his successor in title) may, within a specified period of time (6 or 12 months), apply for protection in all the other member countries. These later applications will then be regarded as if they had been filed on the same day as the first (or earlier) application. In other words, these later applications enjoy a priority status with respect to all applications relating to the same invention filed after the date of the first application. They also enjoy a priority status with respect to all acts accomplished after that date which would normally be apt to destroy the rights of the applicant or the patentability of his invention.

29. The right of priority offers great practical advantages to the applicant desiring protection in several countries. The applicant is not required to present all applications at home and in foreign countries at the same time, since he has 6 or 12 months at his disposal to decide in which countries to request protection. The applicant can use that period to organize with due care the steps to be taken to secure protection in the various countries of interest in this case.

30. The beneficiary of the right of priority is any person entitled to benefit from the national treatment rule who has duly filed an application for a patent for invention or another industrial property right in one of the member countries.

31. The right of priority can be based only on the first application for the same industrial property right which must have been filed in a member country. It is therefore not possible to follow a first application by a second, possibly improved application and then to use that second application as a basis of priority. The reason for this rule is obvious: one cannot permit an endless chain of successive claims of priority for the same subject, as this could, in fact, considerably prolong the term of protection for that subject.

32. Article 4A(1) of the Paris Convention recognizes expressly that the right of priority may also be invoked by the successor in title of the first applicant. The right of priority may be transferred to a successor in title without transferring at the same time the first application itself. This allows in particular also the transfer of the right of priority to different persons for different countries, a practice which is quite common.

33. The later application must concern the same subject as the first application the priority of which is claimed. In other words, the same invention, utility model, trademark or industrial design must be the subject of both applications. It is, however, possible to use a first application for a patent for invention as priority basis for a registration of a utility model and vice versa.

34. The first application must be "duly filed" in order to give rise to the right of priority. Any filing, which is equivalent to a regular national filing, is a valid basis for the right of priority. A regular national filing means any filing that is adequate to establish the date on which the application was filed in the country concerned. The notion of "national" filing is qualified by including also applications filed under bilateral or multilateral treaties concluded between member countries.

35. Withdrawal, abandonment or rejection of the first application does not destroy its capacity to serve as a priority basis. The right of priority subsists even where the first application generating that right is no longer existent.

36. The effect of the right of priority is regulated in Article 4B. One can summarize this effect by saying that, as a consequence of the priority claim, the later application must be treated as if it had been filed already at the time of the filing, in another member country, of the first application the priority of which is claimed. By virtue of the right of priority, all the acts accomplished during the time between the filing dates of the first and the later applications, the so-called priority period, cannot destroy the rights which are the subject of the later application.

37. In terms of concrete examples, this means that a patent application for the same invention filed by a third party during the priority period will not give a prior right, although it was filed before the later application. Likewise, a publication or public use of the invention, which is the subject of the later application, during the priority period would not destroy the

novelty or inventive character of that invention. It is insignificant for that purpose whether that publication is made by the applicant or the inventor himself or by a third party.

38. The length of the priority period is different according to the various kinds of industrial property rights. For patents for invention and utility models the priority period is 12 months, for industrial designs and trademarks it is six months. In determining the length of the priority period, the Paris Convention had to take into account the conflicting interests of the applicant and of third parties. The priority periods now prescribed by the Paris Convention seem to strike an adequate balance between these conflicting interests.

39. The right of priority as recognized by the Convention permits the claiming of "multiple priorities" and of "partial priorities." Therefore, the later application may not only claim the priority of one earlier application, but it may also combine the priority of several earlier applications, each of which pertaining to different features of the subject matter of the later application. Furthermore, in the later application, elements for which priority is claimed may be combined with elements for which no priority is claimed. In all these cases, the later application must of course comply with the requirement of unity of invention.

40. These possibilities correspond to a practical need. Frequently after a first filing further improvements and additions to the invention are the subject of further applications in the country of origin. In such cases, it is very practical to be able to combine these various earlier applications into one later application, when filing before the end of the priority year in another member country. This combination is even possible if the multiple priorities come from different member countries.

(4) Provisions Concerning Patents

(a) Independence of Patents

41. The rule concerning the "independence" of patents for invention is contained in Article 4bis. This rule means that patents for invention granted in member countries to nationals or residents of member countries must be treated as independent of patents for invention obtained for the same invention in other countries, including non-member countries.

42. This principle is to be understood in its broadest sense. It means that the grant of a patent for invention in one country for a given invention does not oblige any other member country to grant a patent for invention for the same invention. Furthermore, the principle means that a patent for invention cannot be refused, invalidated or otherwise terminated in any member country on the ground that a patent for invention for the same invention has been refused or invalidated, or that it is no longer maintained or has terminated, in any other country. In this respect, the fate of a particular patent for invention in any given country has no influence whatsoever on the fate of a patent for the same invention in any of the other countries.

43. The underlying reason and main argument in favor of the principle of independence of patents for invention is that the national laws and administrative practices are usually quite different from country to country.

A decision not to grant or to invalidate a patent for invention in a particular country on the basis of its law will frequently not have any bearing on the different legal situation in the other countries. It would not be justified to make the owner lose the patent for invention in other countries on the ground that it or he lost a patent in a given country as a consequence of not having paid an annual fee in that country or as a consequence of the patent's invalidation in that country on a ground which does not exist in the laws of the other countries. Moreover, a system where patents are dependent from foreign patents would not be in conformity with the national treatment rule.

44. A special feature of the principle of independence of patents for invention is contained in Article 4bis(5). This provision requires that a patent granted on an application which claimed the priority of one or more foreign applications must be given the same duration which it would have according to the national law if no priority had been claimed. In other words, it is not permitted to deduct the priority period from the term of a patent invoking the priority of a first application. For instance, a provision in a national law starting the term of the patent for invention from the (foreign) priority date, and not from the filing date of the application in the country, would be in violation of this rule.

(b) The Right of the Inventor to be Mentioned

45. Another important common rule is Article 4ter which deals with the mentioning of the inventor. The Paris Convention provides for this question only a general rule. It states that the inventor must have the right to be mentioned as such in the patent for invention.

46. National laws have implemented this provision in several ways. Some give the inventor only the right for civil action against the applicant or owner in order to obtain the inclusion of his name in the patent for invention. Others--and that tendency seems to be increasing--enforce the naming of the inventor during the procedure for the grant of a patent for invention on an ex officio basis. In some countries, for instance the United States of America, it is even required that the applicant for a patent be the inventor himself.

(c) Importation; Failure to Work and Compulsory Licenses

47. The Convention deals in Article 5A with the questions of failure to work the patented invention, of importation of articles covered by patents, and of compulsory licenses.

(i) Importation

48. With respect to importation the provision states that importation by the patentee, into the country where the patent has been granted, of articles covered by the patent and manufactured in any of the countries of the Union will not entail forfeiture of the patent. This provision is quite narrowly worded, and hence only applies when several conditions are met. Consequently the countries of the Union have considerable leeway to legislate with respect to importation of patented goods under any of the circumstances which are different to those foreseen in this provision.

49. This Article applies to patentees which are entitled to benefit from the Paris Convention and who, having a patent in one of the countries of the Paris Union, import to this country goods (covered by the patent) which were manufactured in another country of the Union. In such a case, the patent granted in the country of importation may not be forfeited as a sanction for such importation.

50. In this context, the term "patentee" would also cover the representative of the patentee, or any person who effects the importation in the name of such patentee.

51. With respect to the goods that are imported, it suffices that they be manufactured in a country of the Union. The fact that the goods, having been manufactured in a country of the Union, are thereafter circulated through other countries and eventually imported from a country which is not a member of the Union, would not prevent this Article from being applicable.

52. Finally, it may be mentioned that the term "forfeiture" in Article 5A(1) includes any measure which has the effect of definitively terminating the patent. Therefore it would cover the concepts of invalidation, revocation, annulment, repeal, etc. Whether "forfeiture" may, in the light of the purpose of this Article or the spirit of the Paris Convention, be construed as covering also other measures that would have the effect of preventing importation (fines, suspension of rights, etc.) is left for the national legislation and courts to decide.

(ii) Failure to work and compulsory licenses

53. With respect to the working of patents and compulsory licenses, the essence of the provisions contained in Article 5A is that each country may take legislative measures providing for the grant of compulsory licenses. These compulsory licenses are intended to prevent the abuses which might result from the exclusive rights conferred by a patent for invention, for example failure to work or insufficient working.

54. Compulsory licenses on the ground of failure to work or insufficient working are the most common kind of coercive measure against the patent owner to prevent abuses of the rights conferred by the patent for invention. They are expressly dealt with by Article 5A.

55. The main argument for enforcing working of the invention in a particular country is the consideration that, in order to promote the industrialization of the country, patents for invention should not be used merely to block the working of the invention in the country or to monopolize importation of the patented article by the patent owner. They should rather be used to introduce the use of the new technology into the country. Whether the patent owner can really be expected to do so, is first of all an economic consideration and then also a question of time. Working in all countries is generally not economical. Moreover, it is generally recognized that immediate working in all countries is impossible. Article 5A therefore tries to strike a balance between these conflicting interests.

56. Compulsory licenses for failure to work or insufficient working of the invention may not be requested before a certain period of time of non-working or insufficient working has elapsed. This time limit expires either four

years from the date of filing of the patent application or three years from the date of the grant of the patent for invention. The applicable time is the one which, in the individual case, expires last.

57. The time limit of three or four years is a minimum time limit. The patent owner must be given a longer time limit, if he can give legitimate reasons for his inaction. In other words, the patent owner can produce evidence that legal, economic or technical obstacles prevent working, or working more intensively, the invention in the country. If that is proven, the request for a compulsory license must be rejected, at least for the time being. The time limit of three or four years is a minimum time limit also in that sense that national law can provide for a longer time limit.

58. The compulsory license for non-working or insufficient working must be a non-exclusive license and can only be transferred together with the part of the enterprise benefitting from the compulsory license. The patent owner must retain the right to grant other non-exclusive licenses and to work the invention himself. Moreover, as the compulsory license has been granted to a particular enterprise on the basis of its known capacities, it is bound to that enterprise and cannot be transferred separately from that enterprise. These limitations are intended to prevent that a compulsory licensee obtains a stronger position on the market than is warranted by the purpose of the compulsory license, namely, to ensure sufficient working of the invention in the country.

59. All these special provisions for compulsory licenses in Article 5A(4) are only applicable to compulsory licenses for non-working or insufficient working. They are not applicable to the other types of compulsory licenses which the national law is free to provide for. Such other types of compulsory licenses may be granted to prevent abuses other than non-working or insufficient working. Such abuses may be, for example, excessive prices or unreasonable terms for contractual licenses or other restrictive measures which hamper industrial development.

60. Compulsory licenses may also be granted, by considerations of public interest, in cases where there is no abuse by the patent owner of his rights. These are in particular cases where a patent for invention affects a vital public interest, for example, in the fields of military security or public health.

61. There are also cases where a compulsory license is provided for to protect the public interest in unhampered technological progress. This is the case of the compulsory license in favor of the so-called dependent patents. If a patented invention cannot be worked without using an earlier patent for invention granted to another person, then the owner of the dependent patent, under certain circumstances, may have the right to request a compulsory license to enable the use of that invention. If the owner of the dependent patent for invention obtains the compulsory license, he may in turn be obliged to grant a license to the owner of the earlier patent for invention.

62. All these other types of compulsory licenses can be grouped together under the general heading of compulsory licenses in the public interest. The national laws are not prevented by the Paris Convention to provide for such compulsory licenses, and they are not subject to the restrictions provided for in Article 5A. This means in particular that compulsory licensees in the

public interest can be granted without waiting for the expiration of the time limits provided for compulsory licenses that relate to failure to work or insufficient working.

(d) Grace Period for the Payment of Maintenance Fees

63. Article 5bis provides for a grace period for the payment of maintenance fees for industrial property rights and deals with the restoration of patents for invention in case of non-payment of fees.

64. In most countries the maintenance of certain industrial property rights, mainly the rights in patents for invention and trademarks, is subject to the periodic payment of fees. For patents, the maintenance fees must generally be paid annually, and in that case are also called annuities. Immediate loss of the patent for invention in the event that one annuity is not paid at the due date would be too harsh a sanction. Therefore, the Paris Convention provides for a period of grace, during which the payment can still be made after the due date with the effect to maintain the patent. That period is six months, and is established as a minimum period so that countries are free to accord a longer period.

65. The delayed payment of the annuity may be subjected to the payment of a surcharge. In that case, both the delayed fee and the surcharge must be paid within the grace period. During the grace period, the patent for invention remains provisionally in force. If the payment is not made during the grace period, the patent for invention will lapse retroactively, that is, as of the original due date of the annuity.

(e) Patents in International Traffic

66. Another common rule of substantive importance, containing a limitation of the rights of the patent owner under special circumstances, is contained in Article 5ter. It deals with the transit of devices on ships, aircraft or land vehicles through a member country in which such device is patented.

67. The effect of this provision is essentially the following. Where ships, aircraft or land vehicles of other member countries enter temporarily or accidentally a given member country and have on board devices patented in that country, the owner of the means of transportation is not required to obtain prior approval or a license from the patent owner. Temporary or accidental entry of the patented device into the country in such cases constitutes no infringement of the patent for invention.

68. The device on board the ship, aircraft or vehicle must be in the body, in the machinery, tackle, gear or other accessories of the conveyance, and must be used exclusively for operational needs.

69. The provision covers only the use of patented devices. It does not allow the making of patented devices on board a means of transportation, nor the sale to the public of patented products or of products obtained under a patented process.

(f) Inventions Shown at International Exhibitions

70. A further common rule of a substantive nature is the provision concerning the temporary protection in respect of goods exhibited at international exhibitions, contained in Article 11 of the Convention.

71. The principle stated in Article 11 is that the member countries are obliged to grant, in conformity with their domestic legislation, temporary protection to patentable inventions, utility models, industrial designs and trademarks in respect of goods exhibited at official or officially recognized international exhibitions held in the territory of any member country.

72. The temporary protection may be provided by various means. One is to grant a special right of priority, similar to that provided for in Article 4. This priority right would start from the date of the opening of the exhibition or from the date of the introduction of the object at the exhibition. It would be maintained for a certain period, say twelve months, from that date, and would expire if the application for protection does not follow the exhibition within that period.

73. Another means of temporary protection, which is found in a number of national laws, in particular with respect to patents for invention, is that of prescribing that, during a certain period of, say, twelve months before the filing or priority date of a patent application, a display of the invention at an international exhibition will not destroy the novelty of the invention. When choosing that solution, it is important to protect the inventor or other owner of the invention during the same period also against abusive acts of third parties. This means in particular that the person exhibiting the invention must be protected against any copying or usurpation of the invention for purposes of a patent application by a third party. The owner of the invention must also be protected against disclosure by third parties based on the exhibition.

74. Article 11 applies only to official or officially recognized exhibitions. The interpretation of that term is left to the member country where protection is sought. An interpretation corresponding to the spirit of Article 11 is to consider an exhibition as "official," if it is organized by a State or other public authority, to consider it as "officially recognized," if it is not official but has at least been recognized as official by a State or other public authority, and to consider it as "international," if goods from various countries are exhibited.

(5) Provisions Concerning Trademarks

(a) Use of Trademarks

75. The Convention touches on the issue of the use of marks in Article 5C(1), (2) and (3).

76. Article 5C(1) relates to the compulsory use of registered trademarks. Some of the countries which provide for the registration of trademarks also require that the trademark, once registered, be used within a certain period. If this use is not complied with, the trademark may be expunged from the register. For this purpose, "use" is generally understood as meaning the sale of goods bearing the trademark, although national legislation may regulate more broadly the manner in which use of the trademark is to be complied with. The said Article states that where compulsory use is required, the trademark's registration may be cancelled for failure to use the trademark only after a reasonable period has elapsed, and then only if the owner does not justify such failure.

77. The definition of what is meant by "reasonable period" is left to the national legislation of the countries concerned, or otherwise to the authorities competent for resolving such cases. This reasonable period is intended to permit the owner of the mark enough time and opportunity to arrange for its proper use, considering that in many cases the owner has to use his mark in several countries.

78. Cancellation of a mark's registration may only be decided if the owner does not justify the failure to use his trademark. Such justification would be acceptable if it were based on legal or economic circumstances beyond the owner's control, for example if importation of the marked goods had been prohibited or delayed by governmental regulations.

79. The Convention also establishes in Article 5C(2) that the use of a trademark by its proprietor in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered in one of the countries of the Union shall not entail invalidation of the registration nor diminish the protection granted to the mark. The purpose of this provision is to allow for unessential differences between the form of the mark as it is registered and the form in which it is used, for example in cases of adaptation or translation of certain elements for such use. This rule applies also to similar differences in the form of the mark as used in the country of its original registration.

80. Whether in a given case the differences between the mark as registered and the mark as actually used alter the distinctive character is a matter to be decided by the competent national authorities.

(b) Concurrent Use of the Same Trademark by Different Enterprises

81. Article 5C(3) of the Convention deals with the case where the same mark is used for identical or similar goods by two or more establishments considered as co-proprietors of the trademark. It is provided that such concurrent use will not impede the registration of the trademark nor diminish the protection in any country of the Union, except where the said use results in misleading the public or is contrary to the public interest. Such cases could occur if the concurrent use misleads the public as to the origin or source of the goods sold under the same trademark, or if the quality of such goods differs to the point where it may be contrary to the public interest to allow the continuation of such inconsistency.

82. This provision does not, however, cover the case of concurrent use of the mark by enterprises which are not co-proprietors of the mark, for instance when use is made concurrently by the owner and a licensee or a franchisee. These cases are left for the national legislation of the various countries to regulate.

(c) Grace Period for the Payment of Renewal Fees

83. Article 5bis requires that a period of grace be allowed for the payment of fees due for the maintenance of industrial property rights. In the case of trademarks this provision concerns primarily the payment of renewal fees, since it is by renewal that trademark registrations (and hence the rights that depend on such registrations) may be maintained. A failure to renew the registration will normally entail the lapse of the registration, and in some

cases the expiration of the right to the mark. The period of grace provided by the Convention is intended to diminish the risks of a mark being lost by an involuntary delay in the payment of the renewal fees.

84. The countries of the Paris Union are obliged to accord a period of grace of at least six months for the payment of the renewal fees, but are free to provide for the payment of a surcharge when such renewal fees are payed within the period of grace. Moreover, the countries are free to provide for a period of grace longer than the minimum six months prescribed by the Convention.

85. During the period of grace, the registration remains provisionally in force. If the payment of the renewal fees (and surcharge where appropriate) is not made during the period of grace, the registration will lapse retroactively as of the original date of expiration.

(d) Independence of Trademarks

86. Article 6 of the Convention establishes the important principle of the independence of trademarks in the different countries of the Union, and in particular the independence of trademarks filed or registered in the country of origin from those filed or registered in other countries of the Union.

87. The first part of Article 6 states the application of the basic principle of national treatment to the filing and registration of marks in the countries of the Union. Regardless of the origin of the mark whose registration is sought, a country of the Union may apply only its domestic legislation when determining the conditions for the filing and registration of the mark. The application of the principle of national treatment asserts the rule of independence of marks, since their registration and maintenance will depend only on each domestic law.

88. This Article also provides that an application for the registration of a mark, filed in any country of the Union by a person who is entitled to the benefits of the Convention, may not be refused, nor may a registration be cancelled, on the ground that filing, registration or renewal of the mark has not been effected in the country of origin. This provision lays down the express rule that obtaining and maintaining a trademark registration in any country of the Union may not be made dependent on the application, registration or renewal of the same mark in the country of origin of the mark. Therefore no action with respect to the mark in the country of origin may be required as a prerequisite for obtaining a registration of the mark in that country.

89. Finally, Article 6 states that a mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin. This means that a mark once registered will not be automatically affected by any decision taken with respect to similar registrations for the same marks in other countries. In this respect, the fact that one or more such similar registrations are, for example, renounced, cancelled or abandoned, will not eo ipso affect the registrations of the mark in other countries. The validity of these registrations will depend only on the provisions applicable in accordance with the legislation of each of the countries concerned.

(e) Well-known Trademarks

90. The Convention deals with well-known trademarks in Article 6bis. This Article obliges a member country to refuse or cancel the registration and to prohibit the use of a trademark that is liable to create confusion with another trademark already well-known in that member country. The effect of this Article is to extend protection to a trademark that is well-known in a member country even though it is not registered or used in that country. The protection of the well-known trademark results not from its registration, which prevents the registration or use of a conflicting trademark, but from the mere fact of its reputation.

91. The protection of well-known trademarks is deemed justified on the grounds that a trademark that has acquired goodwill and a reputation in a member country ought to give rise to a right for its owner and because the registration or use of a confusingly similar trademark would, in most cases, amount to an act of unfair competition and be prejudicial to the interests of the public who would be misled by the use of a conflicting trademark for the same or identical goods than those in connection with which the well-known trademark is registered.

92. The trademark that is protected by Article 6bis must be a "well-known" trademark. Whether a trademark is well known in a member country will be determined by its competent administrative or judicial authorities. A trademark may not have been used in a country, in the sense that goods bearing that trademark have not been sold there, yet that trademark may be well-known in the country because of publicity there or the repercussions in that country of advertising in other countries.

93. The protection of a well-known trademark under Article 6bis exists only where the conflicting trademark has been filed, registered or used for identical or similar goods. Whether the condition is fulfilled will be determined by the administrative or judicial authorities of the country in which protection is claimed.

94. The protection of a well-known trademark under Article 6bis results from the obligation of a member country to take ex officio where its legislation so permits, or at the request of an interested party, the following type of action:

First, a member country must refuse the application for registration of the conflicting trademark.

Second, the member country must cancel the registration of a conflicting trademark. A member country is required to allow at least a period of five years from the date of registration within which a request for cancellation of the conflicting trademark may be made, unless that trademark was registered in bad faith, in which event no time limit may be fixed.

Third, the member country must prohibit the use of the conflicting trademark. A member country is free to prescribe a period within which that request must be made; however, no time limit may be fixed for such a request in the case of a conflicting trademark used in bad faith.

(f) State Emblems, Official Hallmarks and Emblems of International Organizations

95. The Convention deals with distinctive signs of States and international intergovernmental organizations in Article 6ter. This Article obliges a member country, in certain circumstances, to refuse or invalidate the registration and to prohibit the use, either as trademarks or as elements of trademarks, of the distinctive signs specified in that Article of member countries and certain international intergovernmental organizations.

96. The purpose of Article 6ter is not to create an industrial property right in favor of the State or the intergovernmental organization in respect of the distinctive signs concerned, but simply to prevent the use of those signs as trademarks in industrial or commercial activities.

97. The provisions of Article 6ter do not apply if the competent authorities of the member country allow the use of its distinctive signs as trademarks. Similarly, the competent authorities of an intergovernmental organization may allow others to use its distinctive signs as trademarks. Moreover, in the case of the distinctive signs of a member country, nationals of any member country that are authorized to use the distinctive signs of their country may do so even if those signs are similar to those of another member country.

98. The distinctive signs of States that are referred to in Article 6bis are the following: armorial bearings, flags and other emblems, official signs and hallmarks indicating control and warranty and any imitation of those signs from a heraldic point of view.

99. The objective of the provisions of Article 6ter, insofar as the distinctive signs of States are concerned, is to exclude the registration and use of trademarks that are identical or present a certain similarity to the armorial bearings, flags or other emblems of States. The reasons for this are that such registration would violate the right of the State to control distinctive signs of its sovereignty and, further, might mislead the public with respect to the origin of the goods to which such marks would be applied.

100. To give effect to the provisions of Article 6ter, a procedure is established pursuant to that Article whereby the distinctive signs of the member countries and intergovernmental organizations concerned are communicated to the International Bureau of WIPO, which in turn transmits those communications to all the member countries.

(g) Assignment of Trademarks

101. Article 6quater of the Convention deals with the assignment of trademarks. The rule of Article 6quater arises because of the situation where a trademark is used by an enterprise in various countries and it is desired to make a transfer of the right to the trademark in one or more of those countries.

102. Some national legislations allow an assignment without a simultaneous or corresponding transfer of the enterprise to which the trademark belongs. Others make the validity of the assignment depend on the simultaneous or corresponding transfer of the enterprise.

103. Article 6quater states that it shall suffice for the recognition of the validity of the assignment of a trademark in a member country that the portion of the business or goodwill located in that country be transferred to the assignee, together with the exclusive right to manufacture in the said country, or to sell therein, the goods bearing the trademark assigned. Thus, a member country is free to require, for the validity of the assignment of the trademark, the simultaneous transfer of the enterprise to which the trademark belongs, but such a requirement must not extend to parts of the enterprise that are located in other countries.

104. It should be noted that Article 6quater leaves a member country free not to regard as valid the assignment of a trademark with the relevant part of the enterprise, if the use of that trademark by the assignee would be of such a nature as to mislead the public, particularly as regards important features of the goods to which the trademark is applied. This freedom may be exercised, for example, if a trademark is assigned for part only of the goods to which it is applied, and if these goods are similar to other goods for which the trademark is not assigned. In such cases, the public may be misled as to the origin or essential qualities of similar goods to which the assignor and assignee will apply the same trademark independently.

(h) Protection of Trademarks Registered in One Country of the Union in Other Countries of the Union

106. Parallel to the principle of independence of marks which is embodied in the provisions of Article 6, the Convention establishes a special rule for the benefit of owners of trademarks registered in their country of origin. This exceptional rule is governed by Article 6quinquies of the Convention.

107. The provisions of Article 6quinquies come into operation in the case where a registration in the country of origin is invoked in the country where protection is sought. Whereas the principle of national treatment of applications calls for the normal rule of complete independence of trademarks (as recognized in Article 6), in the exceptional situation regulated by Article 6quinquies the opposite rule prevails, providing for extraterritorial effects of the registration in the country of origin.

108. There are two main reasons for this special rule. On the one hand, it is in the interest of both owners of trademarks and the public to have the same trademark apply to the same goods in various countries. On the other hand, there are some important differences in the domestic legislation of the member countries regarding the registration of trademarks. As a consequence, the differences in domestic legislation could prevent this uniform use of the same trademark.

109. In order to diminish the impact of those differences on the registration of trademarks in respect of goods in international trade, Article 6quinquies of the Paris Convention establishes certain effects where registration in the country of origin has taken place and is invoked in another member country where registration and protection is sought. This provision has the effect of bringing about certain uniformity of the law of the various countries as to the concept of trademarks.

110. For Article 6quinquies to apply it is necessary that the trademark concerned should be duly registered in the country of origin. A mere filing or use of the trademark in that country is not sufficient. Moreover, the

country of origin must be a country of the Union in which the applicant has a real and effective industrial or commercial establishment or, alternatively, in which he has his domicile, or otherwise, the country of the Union of which he is a national.

111. The rule established by Article 6quinquies provides that a trademark which fulfills the required conditions must be accepted for filing and protected--as is (to use the expression found in the English version) or telle quelle (to use the expression adopted in the authentic French text)--in the other member countries, subject to certain exceptions. This rule is often called the "telle quelle" principle.

112. It is to be noted that the rule only concerns the form of the trademark. In this respect, the rule in this Article does not affect the questions relating to the nature or the function of the trademarks as conceived in the countries where protection is sought. Thus a member country is not obliged to register and extend protection to a subject that does not fall within the meaning of a trademark as defined in the law of that country. If, for example, under the law of a member country, a three-dimensional object or musical notes indicating tunes is not considered a "trademark" in that country, it is not obliged to accept that subject matter for registration and protection.

113. Article 6quinquies, Section B, contains certain exceptions to the obligation of accepting a registered trademark "as is" for registration in the other countries of the Union. That list of exceptions is exhaustive so that no other grounds may be invoked to refuse or invalidate the registration of the trademark. However, the list does not exclude any ground for refusal of protection for which there is a need in national legislation.

114. The first permitted ground for refusal or invalidation of a trademark exists where the trademark infringes rights of third parties acquired in the country where protection is claimed. These rights can be either rights in trademarks already protected in the country concerned or other rights, such as the right to a trade name or a copyright.

115. The second permitted ground for refusal or invalidation is when the trademark is devoid of distinctive character, or is purely descriptive, or consists of a generic name.

116. The third permissible ground for refusal or invalidation exists where the trademark is contrary to morality or public order, as considered in the country where protection is claimed. This ground includes, as a special category, trademarks which are of such a nature as to deceive the public.

117. A fourth permissible ground for refusal or invalidation exists if the registration of the trademark would constitute an act of unfair competition.

118. A fifth and last permissible ground for refusal or invalidation exists where the trademark is used by the owner in a form which is essentially different from that in which it has been registered in the country of origin. Unessential differences may not be used as grounds for refusal or invalidation.

(i) Service Marks

119. A service mark is a sign used by enterprises offering services, for example, hotels, restaurants, airlines, tourist agencies, car-rental agencies, employment agencies, laundries and cleaners, etc., in order to distinguish their services from those of other enterprises. Thus service marks have the same function as trademarks, the only difference being that they apply to services instead of products (or goods).

120. Article 6sexies was introduced into the Paris Convention in 1958 to deal specifically with service marks, but the revision Conference did not accept a more ambitious proposal to entirely assimilate service marks to trademarks. However, a member country is free to apply the same rules it applies for trademarks also to service marks in analogous situations or circumstances.

121. By virtue of Article 6sexies, member countries undertake to protect service marks, but are not required to provide for the registration of such marks. This provision does not oblige a member country to legislate expressly on the subject of service marks. A member country may comply with the provision not only by introducing special legislation for the protection of service marks , but also by granting such protection by other means, for example, in its laws against unfair competition.

(j) Registration in the Name of the Agent Without the Proprietor's Authorization

122. Article 6septies of the Convention deals with the relationship between the owner of a trademark and his agent or representative regarding registration or use of the trademark by the latter.

123. This Article regulates those cases where the agent or representative of the person who is the owner of a trademark applies for or obtains the registration of a trademark in his own name or uses a trademark without the owner's authorization.

124. In such cases, Article 6septies confers upon the owner of the trademark the right to oppose the registration or to demand cancellation of the registration or, if the national law so allows, to demand an assignment of the registration in his favor. In addition, Article 6septies confers upon the owner of a trademark the right to oppose the unauthorized use of the trademark by his agent or representative, whether or not application for registration of the trademark has been made or its registration has been granted.

(k) Nature of the Goods to Which a Trademark is Applied

125. Article 7 of the Convention stipulates that the nature of the goods to which a trademark is to be applied shall in no case be an obstacle to the registration of the mark.

126. The purpose of this rule, and also the comparable rule in Article 4quater regarding patents for invention, is to make the protection of industrial property independent of the question whether goods in respect of which such protection would apply may or may not be sold in the country concerned.

127. It sometimes occurs that a trademark concerns goods which, for example, do not conform to the safety requirements of the law of a particular country. For instance, the food and drug laws of a country may prescribe requirements concerning the ingredients of a food product or the effects of a pharmaceutical product and allow its sale only after approval of the competent authorities on the basis of an examination of the food product or of clinical trials as to the effect of the use of the pharmaceutical product on human beings or animals.

128. In all such cases, it would be unjust to refuse registration of a trademark concerning such goods. The safety or quality regulations may change and the product may be permitted for sale later on. In those cases where no such change is contemplated but the approval of the competent authorities of the country concerned is still pending, such approval, if imposed as a condition to filing or registration in that country, may be prejudicial to an applicant who wishes to make a timely filing for protection in another member country.

(l) Collective Marks

129. A collective mark may be defined as a sign which serves to distinguish the geographical origin, material, mode of manufacture, quality or other common characteristics of goods or services of different enterprises that simultaneously use the collective mark under the control of its owner. The owner may be either an association of which those enterprises are members or any other entity, including a public body.

130. Article 7bis of the Convention deals with collective marks. It obliges a member country to accept for filing and to protect, in accordance with the particular conditions set by that country, collective marks belonging to "associations." These will generally be associations of producers, manufacturers, distributors, sellers or other merchants, of goods that are produced or manufactured in a certain country, region or locality or that have other common characteristics. Collective marks of States or other public bodies are not covered by the provision.

131. In order that Article 7bis be applicable, the existence of the association to which the collective mark belongs must not be contrary to the law of the country of origin. The association does not have to prove that it conforms to the legislation of its country of origin, but registration and protection of its collective mark may be refused if the existence of that association is found to be contrary to that legislation.

132. Refusal of registration and protection of the collective mark is not possible on the ground that the association is not established in the country where protection is sought, or is not constituted according to the law of that country. Article 7bis adds a further stipulation that the association may not even be required to possess an industrial or commercial establishment anywhere. In other words, an association, without possessing any industrial or commercial establishment itself, may be one that simply controls the use of a collective mark by others.

(m) Trademarks Shown at International Exhibitions

133. The provision concerning marks shown at international exhibitions is contained in Article 11 of the Convention, which also applies to other titles of industrial property.

134. The principle stated in Article 11 is that the member countries are obliged to grant, in conformity with their domestic legislation, temporary protection to trademarks in respect of goods exhibited at official or officially recognized international exhibitions held in the territory of any member country.

135. The temporary protection may be provided by various means. One is to grant a special right of priority, similar to that provided for in Article 4. Another possibility for protection, which is found in certain national laws, consists in the recognition of a right of prior use in favor of the exhibitor of the goods bearing the trademark as against possible rights acquired by third parties.

136. In order to apply its national legislation regarding temporary protection, the competent authorities of the country may require proof, both as to the identity of the goods exhibited and as to the date of their introduction at the exhibition, in whatever form of documentary evidence they consider necessary.

(6) Provisions Concerning Industrial Designs, Trade Names, Appellations of Origin and Indications of Source, and Unfair Competition

(a) Industrial Designs

137. The Paris Convention deals with industrial designs in Article 5quinquies.

138. This provision merely states the obligation of all member countries to protect industrial designs. Nothing is said about the way in which this protection must be provided.

139. Member countries can therefore comply with this obligation through the enactment of special legislation for the protection of industrial designs. They can, however, also comply with this obligation through the grant of such protection under the law on copyright or the law against unfair competition.

140. The normal solution, chosen by a great number of countries for compliance with the obligations under Article 5quinquies is, however, to provide for a special system of protection of industrial designs by registration or by the grant of patents for industrial designs.

141. There is a special provision dealing with forfeiture in the case of industrial designs. It is contained in Article 5B, and states that the protection of industrial designs may not under any circumstance be subject to any measure of forfeiture as sanction in cases of failure to work or where articles corresponding to those protected are imported. "Forfeiture" in this provision includes equivalent measures, such as cancellation, invalidation or revocation. Member countries could, however, provide other sanctions for those cases, such as compulsory licenses in order to ensure working in case of non-working or insufficient working. "Working" means here the manufacture of products representing or incorporating the industrial design.

(b) Trade Names

142. Trade names are dealt with by the Convention in Article 8. This Article states that trade names shall be protected in all the countries of the Union without the obligation of filing or of registration, whether or not they form part of a trademark.

143. The definition of a trade name for the purposes of protection, and the manner in which such protection is to be afforded, are both matters left to the national legislation of the countries concerned. Therefore, protection may result from special legislation on trade names or from more general legislation on unfair competition or the rights of personality.

144. In no case can protection be made conditional upon filing or registration of the trade name. However, if in a member country protection of trade names were dependent on the use of the name and to the extent that another trade name may cause confusion or prejudice with respect to the first trade name, such requirement and criterion could be applied by that member country.

(c) Appellations of Origin and Indications of Source

145. Appellations of origin and indications of source are included among the various objects of protection of industrial property under the Paris Convention (Article 1(2)).

146. Both these objects can be referred to under the broader concept of geographical indications, although traditionally, and for the purposes of certain special treaties (e.g., the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration), both concepts have been distinguished.

147. Indications of source include any name, designation, sign or other indication which refers to a given country or to a place located therein, which has the effect of conveying the notion that the goods bearing the indication originate in that country or place. Examples of indications of source are the names of countries (e.g., Germany, Japan, etc.) or of cities (e.g., Hong Kong, Paris, etc.) when used on or in connection with goods in order to indicate their place of manufacture or their provenance.

148. Appellations of origin have a more limited meaning, and may be considered a special type of indication of source. An appellation of origin is the geographical name of a country, region or locality which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

149. The Paris Convention contains in Articles 10 and 10bis provisions on the protection of indications of source. These provisions cover in general any direct or indirect use of a false indication of the source (including, where applicable, the appellation of origin) of the goods or the identity of the producer, manufacturer or merchant, as well as any act of unfair competition by the use of indications or allegations which are liable to mislead the public as to the nature or the characteristics of the goods for which they are applied.

150. The Convention requires the countries to seize the goods bearing false indications or, to prohibit their importation, or otherwise to apply any other measures that may be available in order to prevent or stop the use of such indications. However, the obligation to seize goods on importation only applies to the extent that such a sanction is provided for under the national law.

151. The Convention provides that action may be taken not only by the public prosecuter but also by any interested party. In this connection, Article 10bis states that any producer, manufacturer or merchant, whether a natural person or a legal entity, engaged in the production, manufacture or trade in such goods established in the locality, region or country falsely indicated as the source or in the country where such false indications used, is in any case deemed to be an interested party. Moreover, in accordance with Article 10ter, states that the countries are required to provide measures to permit federations and associations representing interested industrialists, producers and merchants to take action before the competent authorities with a view to the repression of the acts referred to above.

(d) Unfair Competition

152. The Convention provides in Article 10bis that the countries of the Union are bound to assure to persons entitled to benefit from the Convention effective protection against unfair competition. The Convention does not specify the manner in which such protection should be granted, leaving this to the laws existing in each of the member countries.

153. Article 10bis defines acts of unfair competition as those acts of competition which are contrary to honest practices in industrial or commercial matters. Further, the Article gives some typical examples of acts of unfair competition which should be prohibited in particular.

154. The first example refers to all acts of such a nature as to create confusion by any means whatever with the establishment, the goods or the industrial or commercial activities of a competitor. These acts cover not only the use of identical or similar marks or names, which could be attacked as an infringement of proprietory rights, but also the use of other means which can create confusion. Such could be the form of packages, the getup or style used on products and on their corresponding outlets or points of distribution, titles of publicity, etc.

155. The second example relates to false allegations in the course of trade of such a nature as to discredit the establishment, the goods or the industrial or commercial activities, of a competitor. It has been left to the domestic legislation or case law of each country to decide whether, and under what circumstances, discrediting allegations which are not strictly untrue may also be considered acts of unfair competition.

156. The third example of acts of unfair competition concerns indications and allegations which are liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or the quality of their goods. This provision may be distinguished from the previous cases to the extent that it is concerned with the interests and well-being of the public and is one of the provisions in the Convention that is more directly related to the consumer protection role of industrial property.

(7) Provisions Concerning Industrial Property Offices

157. The Paris Convention deals with the national industrial property services of its member countries in Article 12.

158. Each member country has the obligation to establish a special central industrial property service or office, which will be responsible for the registration, administration and communication to the public of patents for invention, utility models, industrial designs, and trademarks. For that purpose, it must publish an official periodical journal.

159. The obligation to establish a national office can also be satisfied under a regional scheme, if several member countries establish a common office which assumes the functions of national offices. For example, the African Intellectual Property Organization (OAPI) located at Yaoundé, Cameroon, constitutes the regional office for 14 African countries; the Benelux Trademark Office at The Hague, Netherlands, acts as regional office for Belgium, Luxembourg and the Netherlands.

(8) Administrative and Financial Provisions

(a) Organs of the Paris Union

160. The countries party to the Paris Convention constitute a "Union" for the Protection of Industrial Property. In creating a Union, the Paris Convention goes beyond a mere treaty establishing rights and obligations. It also establishes a legal entity in international law with the necessary organs to carry out certain tasks. The Union forms a single administrative entity, and an administrative link among the various Acts of the Paris Convention.

161. Under this concept of the Union, a state which becomes a member of the Union by acceding to the most recent (the Stockholm) Act of the Paris Convention becomes bound with respect to all member countries, even those not yet party to the Stockholm Act. Article 27(3) of the Convention says that such a country must apply the Stockholm Act also to member countries of the Union not yet party to that Act, and must recognize that member countries not yet bound by the substantive provisions of the Stockholm Act may apply, in their relations with it, that earlier Act which is the most recent of the Acts to which they are party.

162. The Union has three administrative organs, the Assembly, the Executive Committee and the International Bureau, headed by the Director General of the World Intellectual Property Organization (WIPO).

163. The Assembly is dealt with in Article 13. It consists of all member countries bound at least by the administrative provisions of the Stockholm Act. The Assembly is the chief governing body of the Union in which all policy-making and controlling powers are vested. It deals with all matters concerning the maintenance and development of the Union and the implementation of the Paris Convention. In particular, it gives directions for the preparation of conferences of revision of the Convention. It reviews and approves the reports and activities of the Director General of WIPO concerning the Union and gives him instructions concerning matters within the competence of the Union. It determines the program, adopts the biennial budget of the Union, and approves its final accounts. The Assembly meets once in every second calendar year in ordinary session, together with the General Assembly of WIPO.

164. The Assembly has an Executive Committee, which is dealt with in Article 14. It consists of one-fourth of the countries members of the Assembly, and is elected by the Assembly for the period between two ordinary sessions with due regard to an equitable geographical distribution. The Executive Committee meets once a year in ordinary session, together with the Coordination Committee of WIPO.

165. The Executive Committee is the smaller governing body of the Union. It deals with all the functions which have to be carried out during the period between the ordinary sessions of the Assembly and for which the Assembly is too big a body. It prepares the meetings of the Assembly and takes all necessary measures to ensure the execution of the program.

166. The provisions concerning the International Bureau are contained in Article 15. The International Bureau is the administrative organ of the Union. It performs all administrative tasks concerning the Union. It provides the secretariat of the various organs of the Union. Its head, the Director General of WIPO, is the chief executive of the Union.

(b) Finances

167. The financial provisions are contained in Article 16. The Union has its own budget which is mainly financed by mandatory contributions from member countries. The contributions are calculated in applying a class and unit system to the total sum of contributions needed for a given budgetary year. The highest class I corresponds to a share of 25 units, the lowest class S to a share of one-eighth of a unit. Each member country determines freely the class to which it wishes to belong (except that class S is automatically applicable to the least developed countries), but it may also change class afterwards.

168. The amount of the total contributions to be paid is determined by the Assembly once every two years, and is expressed in Swiss Francs. For 1991, the contribution corresponding to each of the countries in Class I is S.Fr. 644,256, and that of the countries in Class S, S.Fr. 3,221.

(c) Amendments and Revision

169. Article 18 contains the principle of periodic revision of the Paris Convention. The Convention must be submitted to revision with a view to the introduction of amendments designed to improve the system of the Union. These revisions are dealt with by diplomatic conferences of revision in which delegations appointed by the governments of the member countries participate. According to Article 18(2), such conferences must be held successively in one of the member countries.

170. The preparations for the conferences of revision of the Paris Convention are carried out by the International Bureau in accordance with the directions of the Assembly and in cooperation with the Executive Committee. In Performing it, the International Bureau may also consult with other intergovernmental and with international non-governmental organizations.

(d) Special Agreements

171. An important provision among the administrative clauses of the Paris Convention is Article 19, dealing with special agreements.

172. According to that provision, the member countries have the right to make separately among themselves special agreements for the protection of industrial property. These agreements must, however, comply with the condition that they do not contravene the provisions of the Paris Convention.

173. Such special agreements may take the form of bilateral agreements or multilateral treaties. Special agreements in the form of multilateral treaties may be agreements prepared and administered by the International Bureau, or agreements prepared and administered by other intergovernmental organizations. Examples of such special agreements are the Madrid Agreement Concerning the International Registration of Marks and the Patent Cooperation Treaty (PCT). The process to conclude a new special agreement to be called the "Patent Law Treaty," aimed at harmonizing several provisions of substantive patent law, has been under way since 1984. The first part of the Diplomatic Conference for the Conclusion of a Treaty Supplementing the Paris Convention as far as Patents are Concerned (Patent Law Treaty) took place in The Hague (Netherlands) in June, 1991.

(e) Becoming Party to the Convention; Entry Into Force

174. Accession to the Paris Convention is effected by the deposit of an instrument of accession with the Director General of WIPO, as provided in Article 21. The Convention enters into force, with respect to a country so adhering, three months after the accession has been notified by the Director General of WIPO to all Governments of the member countries. Accession therefore needs only unilateral action by the interested country and does not require any decision by the competent bodies of the Union.

175. Accession to the Convention automatically entails acceptance of all the clauses in the Convention, as well as admission to all the advantages thereof, as is indicated in Article 22.

(f) Denunciation

176. Provisions concerning denunciation are contained in Article 26 of the Convention.

177. Any member country may denounce the Convention by addressing a notification to the Director General of WIPO. In that case, the denunciation takes effect one year after the day on which the Director General receives the notification to that effect. It is provided, however, that the right of denunciation may not be exercised by any country before the expiration of five years from the date on which it became a member of the Union.

(g) Disputes

178. The matter of disputes is dealt with in Article 28 of the Convention. Any dispute between two or more countries of the Union concerning the interpretation or application of the Convention, which has not been settled by negotiation, may be brought, by any of the countries concerned, before the International Court of Justice. However, the countries concerned may agree on any other method for settling their dispute, for example, by international arbitration. In any case, it should be noted that the International Bureau may not take a position in controversies concerning the interpretation or application of the Paris Convention among member countries.

179. Any country acceeding to the Convention may declare upon accession that it does not consider itself bound by the preceding provisions concerning the solving of disputes before the International Court of Justice.

(h) Languages; Depositary Functions

180. The Stockholm Act of the Paris Convention was signed in a single copy in the French language, and has been deposited with the Government of Sweden. The Director General of WIPO, after consultations with the interested governments, established official texts of the Convention in various other languages, in particular English, Russion and Spanish.

181. In the event that any difference should arise regarding the interpretation of the various texts, the original French text will prevail.

## III. CONCLUSION

182. The Paris Convention for the Protection of Industrial Property celebrated its centenary in 1983. Over the last 100 years the Convention, as periodically amended, has proved--by the ever increasing number of applicants and owners of industrial property rights that claim the benefit of its provisions all over the world, and by the continual growth of its membership--to be an effective international legal instrument for the protection and dissemination of technical achievements and distinctive signs through the industrial property system.

[Annex follows]

ANNEX

# Paris Convention for the Protection of Industrial Property

Paris Convention (1883), revised at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Lisbon (1958) and Stockholm (1967), and amended in 1979

(Paris Union)

Status on July 1, 1991

| State | Contribution class* | Date on which State became party to the Convention | Latest Act[1] of the Convention to which State is party and date on which State became party to that Act |
|---|---|---|---|
| Algeria | VI | March 1, 1966 | Stockholm: April 20, 1975[2] |
| Argentina | VI | February 10, 1967 | *Lisbon: February 10, 1967*<br>Stockholm, Articles 13 to 30: October 8, 1980 |
| Australia | III | October 10, 1925 | Stockholm, Articles 1 to 12: September 27, 1975<br>Stockholm, Articles 13 to 30: August 25, 1972 |
| Austria | IV | January 1, 1909 | Stockholm: August 18, 1973 |
| Bahamas | VII | July 10, 1973 | *Lisbon: July 10, 1973*<br>Stockholm, Articles 13 to 30: March 10, 1977 |
| Bangladesh | S | March 3, 1991 | Stockholm: March 3, 1991[2] |
| Barbados | VII | March 12, 1985 | Stockholm: March 12, 1985 |
| Belgium | III | July 7, 1884 | Stockholm: February 12, 1975 |
| Benin | S | January 10, 1967 | Stockholm: March 12, 1975 |
| Brazil | VI | July 7, 1884 | *The Hague: October 26, 1929*<br>Stockholm, Articles 13 to 30: March 24, 1975[2] |
| Bulgaria | VI | June 13, 1921 | Stockholm, Articles 1 to 12: May 19 or 27, 1970[3]<br>Stockholm, Articles 13 to 30: May 27, 1970[2] |
| Burkina Faso | S | November 19, 1963 | Stockholm: September 2, 1975 |
| Burundi | S | September 3, 1977 | Stockholm: September 3, 1977 |
| Cameroon | VII | May 10, 1964 | Stockholm: April 20, 1975 |
| Canada | III | June 12, 1925 | *London: July 30, 1951*<br>Stockholm, Articles 13 to 30: July 7, 1970 |
| Central African Republic | S | November 19, 1963 | Stockholm: September 5, 1978 |
| Chad | S | November 19, 1963 | Stockholm: September 26, 1970 |
| Chile | VII | June 14, 1991 | Stockholm: June 14, 1991 |
| China | III | March 19, 1985 | Stockholm: March 19, 1985[2] |
| Congo | VII | September 2, 1963 | Stockholm: December 5, 1975 |
| Côte d'Ivoire | VII | October 23, 1963 | Stockholm: May 4, 1974 |
| Cuba | VII | November 17, 1904 | Stockholm: April 8, 1975[2] |
| Cyprus | VII | January 17, 1966 | Stockholm: April 3, 1984 |
| Czechoslovakia | IV | October 5, 1919 | Stockholm: December 29, 1970[2] |
| Democratic People's Republic of Korea | VII | June 10, 1980 | Stockholm: June 10, 1980 |
| Denmark[4] | IV | October 1, 1894 | Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3]<br>Stockholm, Articles 13 to 30: April 26, 1970 |
| *Dominican Republic* | VI | *July 11, 1890* | *The Hague: April 6, 1951* |
| Egypt | VII | July 1, 1951 | Stockholm: March 6, 1975[2] |
| Finland | IV | September 20, 1921 | Stockholm, Articles 1 to 12: October 21, 1975<br>Stockholm, Articles 13 to 30: September 15, 1970 |
| France[5] | I | July 7, 1884 | Stockholm: August 12, 1975 |
| Gabon | VII | February 29, 1964 | Stockholm: June 10, 1975 |
| Germany | I | May 1, 1903 | Stockholm: September 19, 1970 |
| Ghana | VII | September 28, 1976 | Stockholm: September 28, 1976 |
| Greece | V | October 2, 1924 | Stockholm: July 15, 1976 |
| Guinea | S | February 5, 1982 | Stockholm: February 5, 1982 |
| Guinea-Bissau | S | June 28, 1988 | Stockholm: June 28, 1988 |
| Haiti | S | July 1, 1958 | Stockholm: November 3, 1983 |
| Holy See | VII | September 29, 1960 | Stockholm: April 24, 1975 |
| Hungary | V | January 1, 1909 | Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3]<br>Stockholm, Articles 13 to 30: April 26, 1970[2] |

| State | Contribution class[a] | Date on which State became party to the Convention | Latest Act[1] of the Convention to which State is party and date on which State became party to that Act |
|---|---|---|---|
| Iceland | VII | May 5, 1962 | *London: May 5, 1962*<br>Stockholm, Articles 13 to 30: December 28, 1984 |
| Indonesia | VI | December 24, 1950 | *London: December 24, 1950*<br>Stockholm, Articles 13 to 30: December 20, 1979[2] |
| *Iran (Islamic Republic of)* | VI | *December 16, 1959* | *Lisbon: January 4, 1962* |
| Iraq | VII | January 24, 1976 | Stockholm: January 24, 1976[2] |
| Ireland | IV | December 4, 1925 | Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3]<br>Stockholm, Articles 13 to 30: April 26, 1970 |
| Israel | VI | March 24, 1950 | Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3]<br>Stockholm, Articles 13 to 30: April 26, 1970 |
| Italy | III | July 7, 1884 | Stockholm: April 24, 1977 |
| Japan | I | July 15, 1899 | Stockholm, Articles 1 to 12: October 1, 1975<br>Stockholm, Articles 13 to 30: April 24, 1975 |
| Jordan | VII | July 17, 1972 | Stockholm: July 17, 1972 |
| Kenya | VI | June 14, 1965 | Stockholm; October 26, 1971 |
| Lebanon | VII | September 1, 1924 | *London: September 30, 1947*<br>Stockholm, Articles 13 to 30: December 30, 1986[2] |
| Lesotho | S | September 28, 1989 | Stockholm: September 28, 1989[2] |
| Libya | VI | September 28, 1976 | Stockholm: September 28, 1976[2] |
| Liechtenstein | VII | July 14, 1933 | Stockholm: May 25, 1972 |
| Luxembourg | VII | June 30, 1922 | Stockholm: March 24, 1975 |
| Madagascar | VII | December 21, 1963 | Stockholm: April 10, 1972 |
| Malawi | S | July 6, 1964 | Stockholm: June 25, 1970 |
| Malaysia | VII | January 1, 1989 | Stockholm: January 1, 1989 |
| Mali | S | March 1, 1983 | Stockholm: March 1, 1983 |
| Malta | VII | October 20, 1967 | *Lisbon: October 20, 1967*<br>Stockholm, Articles 13 to 30: December 12, 1977[2] |
| Mauritania | S | April 11, 1965 | Stockholm: September 21, 1976 |
| Mauritius | VII | September 24, 1976 | Stockholm: September 24, 1976 |
| Mexico | IV | September 7, 1903 | Stockholm: July 26, 1976 |
| Monaco | VII | April 29, 1956 | Stockholm: October 4, 1975 |
| Mongolia | VII | April 21, 1985 | Stockholm: April 21, 1985[2] |
| Morocco | VI | July 30, 1917 | Stockholm: August 6, 1971 |
| Netherlands[6] | III | July 7, 1884 | Stockholm: January 10, 1975 |
| New Zealand[7] | V | July 29, 1931 | *London: July 14, 1946*<br>Stockholm, Articles 13 to 30: June 20, 1984 |
| Niger | S | July 5, 1964 | Stockholm: March 6, 1975 |
| *Nigeria* | VI | *September 2, 1963* | *Lisbon: September 2, 1963* |
| Norway | IV | July 1, 1885 | Stockholm: June 13, 1974 |
| Philippines | VI | September 27, 1965 | *Lisbon: September 27, 1965*<br>Stockholm, Articles 13 to 30: July 16, 1980 |
| Poland | V | November 10, 1919 | Stockholm: March 24, 1975[2] |
| Portugal | IV | July 7, 1884 | Stockholm: April 30, 1975 |
| Republic of Korea | VI | May 4, 1980 | Stockholm: May 4, 1980 |
| Romania | VI | October 6, 1920 | Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3]<br>Stockholm, Articles 13 to 30: April 26, 1970[2] |
| Rwanda | S | March 1, 1984 | Stockholm: March 1, 1984 |
| *San Marino* | VI | *March 4, 1960* | *London: March 4, 1960* |
| Senegal | VII | December 21, 1963 | Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3]<br>Stockholm, Articles 13 to 30: April 26, 1970 |
| South Africa | IV | December 1, 1947 | Stockholm: March 24, 1975[2] |
| Soviet Union | I | July 1, 1965 | Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3]<br>Stockholm, Articles 13 to 30: April 26, 1970[2] |
| Spain | IV | July 7, 1884 | Stockholm: April 14, 1972 |
| Sri Lanka | VII | December 29, 1952 | *London: December 29, 1952*<br>Stockholm, Articles 13 to 30: September 23, 1978 |

| State | Contribution class* | Date on which State became party to the Convention | Latest Act[1] of the Convention to which State is party and date on which State became party to that Act |
|---|---|---|---|
| Sudan | S | April 16, 1984 | Stockholm: April 16, 1984 |
| Suriname | VII | November 25, 1975 | Stockholm: November 25, 1975 |
| Swaziland | VII | May 12, 1991 | Stockholm: May 12, 1991 |
| Sweden | III | July 1, 1885 | Stockholm, Articles 1 to 12: October 9, 1970<br>Stockholm, Articles 13 to 30: April 26, 1970 |
| Switzerland | III | July 7, 1884 | Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3]<br>Stockholm, Articles 13 to 30: April 26, 1970 |
| *Syria* | VI | *September 1, 1924* | *London: September 30, 1947* |
| Togo | S | September 10, 1967 | Stockholm: April 30, 1975 |
| Trinidad and Tobago | VII | August 1, 1964 | Stockholm: August 16, 1988 |
| Tunisia | VII | July 7, 1884 | Stockholm: April 12, 1976[2] |
| Turkey | VI | October 10, 1925 | *London: June 27, 1957*<br>Stockholm, Articles 13 to 30: May 16, 1976 |
| Uganda | S | June 14, 1965 | Stockholm: October 20, 1973 |
| United Kingdom[8] | I | July 7, 1884 | Stockholm, Articles 1 to 12: April 26 or May 19, 1970[3]<br>Stockholm, Articles 13 to 30: April 26, 1970 |
| United Republic of Tanzania | S | June 16, 1963 | *Lisbon: June 16, 1963*<br>Stockholm, Articles 13 to 30: December 30, 1983 |
| United States of America[9] | I | May 30, 1887 | Stockholm, Articles 1 to 12: August 25, 1973<br>Stockholm, Articles 13 to 30: September 5, 1970 |
| Uruguay | VII | March 18, 1967 | Stockholm: December 28, 1979 |
| Viet Nam | VII | March 8, 1949 | Stockholm: July 2, 1976[2] |
| Yugoslavia | VI | February 26, 1921 | Stockholm: October 16, 1973 |
| Zaire | VI | January 31, 1975 | Stockholm: January 31, 1975 |
| Zambia | VII | April 6, 1965 | *Lisbon: April 6, 1965*<br>Stockholm, Articles 13 to 30: May 14, 1977 |
| Zimbabwe | VII | April 18, 1980 | Stockholm: December 30, 1981 |

(Total: 102 States)

* Contributions in classes I to VII correspond to 25, 20, 15, 10, 5, 3 and 1 units, respectively. In class S, they correspond to 1/2 of one unit.

[1] "Stockholm" means the Paris Convention for the Protection of Industrial Property as revised at Stockholm on July 14, 1967 (Stockholm Act); "Lisbon" means the Paris Convention as revised at Lisbon on October 31, 1958 (Lisbon Act); "London" means the Paris Convention as revised at London on June 2, 1934 (London Act); "The Hague" means the Paris Convention as revised at The Hague on November 6, 1925 (Hague Act).

[2] With the declaration provided for in Article 28(2) of the Stockholm Act relating to the International Court of Justice.

[3] These are the alternative dates of entry into force which the Director General of WIPO communicated to the States concerned.

[4] Denmark extended the application of the Stockholm Act to the Faroe Islands with effect from August 6, 1971.

[5] Including all Overseas Departments and Territories.

[6] Ratification for the Kingdom in Europe, the Netherlands Antilles and Aruba.

[7] The accession of New Zealand to the Stockholm Act, with the exception of Articles 1 to 12, extends to the Cook Islands, Niue and Tokelau.

[8] The United Kingdom extended the application of the Stockholm Act to the territory of Hong Kong with effect from November 16, 1977, and to the Isle of Man with effect from October 29, 1983.

[9] The United States of America extended the application of the Stockholm Act to all territories and possessions of the United States of America, including the Commonwealth of Puerto Rico, as from August 25, 1973.

[End of Annex and of document]

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WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

# TRAINING COURSE ON THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF INDUSTRIAL PROPERTY

organized by the World Intellectual Property Organization (WIPO)

in cooperation with

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and

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## HARMONIZATION OF PATENT LEGISLATION

Document prepared by the International Bureau of WIPO

7608C/DCS

## INTRODUCTION

1. International harmonization of patent legislation started, at least to a certain extent, more than a 100 years ago with the adoption of the Paris Convention for the Protection of Industrial Property. While stressing the independence of national patent systems and the territorial limitations of rights granted under those national systems, the Paris Convention nevertheless contains some basic norms, namely the principle of national treatment, the right of priority, the prohibition of the forfeiture of a patent by reason of importation of the patented product, the time limits and the requirement of non-exclusivity in respect for compulsory licenses for non-working and the temporary protection of inventions disclosed during exhibitions. These norms were extended during the various revisions of the Convention but they still cover only some aspects of patent protection.

2. In the 1950s, discussions started within the Council of Europe concerning the creation of a European patent system and the harmonization of patent laws. This led to the adoption of the European Convention on the International Classification of Patents for Inventions of December 19, 1954 --since then replaced by the Strasbourg Agreement concerning the International Patent Classification of 1971 which is administered by WIPO and applied worldwide--and the adoption of the Convention on the Unification of Certain Points of Substantive Law on Patents for Inventions of November 27, 1963. The latter Convention did not enter into force until August 1, 1980, but it represented the achievement of a high degree of unification of substantive law on patents in Europe. Several of its provisions served as a basis for the European Patent Convention (EPC) of 1973, which entered into force on October 7, 1977, and established a unified procedure of a grant of European Patents, and for the Luxembourg Convention on the European Patent for the Common Market of 1975 aimed at the grant of European Patents for the European Community in its entirety.

3. Besides that, the harmonization of patent laws was an aim frequently mentioned by delegations in the negotiations which led to the adoption of the Patent Cooperation Treaty (PCT) in 1970. The Patent Cooperation Treaty contains elements in respect of which there is worldwide consensus. Such elements include the definitions of novelty, state-of-the-art, inventive step and industrial applicability.

4. Harmonization of patent laws worldwide and in the form of an international treaty became a specific topic on the agenda of WIPO in 1985. The successful implementation of the PCT on the one hand and some possible disadvantages of legislative changes required by the Strasbourg Convention on the Unification of Certain Points of Substantive Law on Patents for Inventions, for example, a very limited grace period, gave rise to new efforts aimed at the international harmonization of patent laws. In the course of the discussions held in sessions of the WIPO Committee of Experts (see below) the scope of the envisaged treaty was constantly extended to cover practically all important provisions of patent law.

## THE PATENT LAW TREATY

### Background

5. From June 3 to 28, 1991, the first part of a Diplomatic Conference for the Conclusion of a Treaty Supplementing the Paris Convention as for as Patents are concerned (hereinafter called "the Patent Law Treaty") was held in The Hague (Netherlands). The Diplomatic Conference examined the "Basic Proposal" for a Patent Law Treaty and its Regulations (document PLT/DC/3), prepared by the Director General of WIPO, which is reproduced in the Annex. The date of the second part of the Diplomatic Conference has not yet been decided, but will be considered at the next meeting of the Assembly of the Paris Union, in September 1991. The date of the second part will depend, in particular, on the outcome of the GATT/TRIPS negotiations under the GATT Uruguay Round, and on the internal development in respect of patent law in certain countries of the Paris Union.

6. The history of the Patent Law Treaty started with a proposal, made in June 1983 by the Director General of the World Intellectual Property Organization (WIPO) to the Governing Bodies of WIPO (and, in particular, the Assembly of the Paris Union), for a study on the legal effects of public disclosure of an invention by its inventor prior to filing an application (see WIPO document AB/XIV/2, Annex A, item PRG.03(4)). The proposal was adopted and the question was considered in May 1984 by the WIPO "Committee of Experts on the Grace Period for Public Disclosure of an Invention Before Filing an Application." The "grace period," as it is popularly called, has the effect that certain disclosures, made during a specified period prior to the filing or priority date of an application, do not affect the patentability of the invention claimed in the application. Provisions on the grace period are found in Article 12 of the Basic Proposal for the Treaty.

7. It was soon realized that the question of a grace period could not be dealt with in isolation, since it necessarily involved other issues that would have to be agreed upon at the same time as agreeing on the grace period. In particular, such issues were the identification of the inventor (since the grace period is a period primarily covering publication of the invention by the inventor) and the requirements of a filing date of the application (since the grace period has to be counted back from that date, it being understood that this is either the domestic filing date or the priority date). These issues were considered for the first time in the second meeting of the Committee, held in July 1985, and are addressed in Articles 6 and 8, respectively, of the present draft.

8. In recognition of this expanded scope of its task, the name of the Committee was changed to "Committee of Experts on the Harmonization of Certain Provisions in Laws for the Protection of Inventions." That name was retained throughout the preparatory work for the proposed Patent Law Treaty, which ended in November 1990. The Committee continued to meet during the six years between 1984 and 1991: once in 1985, once in 1986 and twice in each of the subsequent four years (1987 to 1990). In other words, there have been a total of 11 preparatory meetings. At each of those meeting, except those held in 1988 and the second meeting held in 1989, the scope of the proposed Patent Law Treaty grew as the Committee considered additional substantive subject matter for inclusion in it.

9. Through this gradual process of growth of its scope, the proposed Patent Law Treaty came to address many important issues in the field of patents upon which there is great divergence in treatment among national and regional laws, but for which harmonization is desired. It is intended that the Treaty achieve a legally more secure patent system, a system which is easier to apply by patent offices and easier to use by inventors, industry and their professional representatives.

Provisions in the Basic Proposal for the Treaty

10. The substantive provisions of the Basic Proposal for the Treaty deal with the following subjects:

- disclosure and description
- claims
- unity of invention
- identification and mention of inventor; declaration concerning the entitlement of the applicant
- belated claiming of priority
- filing date
- right to a patent
- fields of technology
- conditions of patentability
- disclosures not affecting patentability (grace period)
- prior art effect of certain applications
- amendment or correction of application
- publication of application
- time limits for search and substantive examination
- changes in patents
- administrative revocation
- rights conferred by the patent
- prior user
- extent of protection and interpretation of claims
- term of patent
- enforcement of rights
- reversal of burden of proof
- obligations of the right holder
- remedial measures under national legislation

11. Thus, along with an article establishing a new Union (Article 1) and an article containing 14 definitions (Article 2), the Basic Proposal includes 26 substantive articles covering the above-mentioned subjects. Twelve of them are accompanied by draft Rules, which form part of the Basic Proposal.

12. The Basic Proposal also contains 13 articles dealing with administrative and other miscellaneous matters, as well as the final clauses. They are: Articles 27 (the Assembly of the Union, including the question of voting), 28 (the International Bureau), 29 (reference to the Regulations to be adopted together with the Treaty), 30 (settlement of disputes among Contracting Parties), 31 (possibility of revising the Treaty), 32 (possibility of concluding protocols to supplement the Treaty), 33 (becoming party to the Treaty by States and by certain intergovernmental organizations), 34 (effective date of ratifications and accessions), 35 (reservations to certain provisions of the Treaty), 36 (special notifications, particularly by intergovernmental organizations party to the Treaty), 37 (denunciation of the Treaty), 38 (languages and signature of the Treaty) and 39 (depositary functions).

13. The 13 articles referred to in the preceding paragraph are similar to those in other treaties administered by WIPO, with the exception of Articles 30, 32 and 33. Article 30, proposed to the Committee by the International Bureau, contains detailed provisions on the settlement of disputes. Article 33 addresses the question of who may become party to the treaty: as proposed to the Committee by the International Bureau, this article would allow not only States, but also certain intergovernmental organizations, such as the European Communities, the European Patent Organisation and the Organisation africaine de la propriété intellectuelle, to become party to the Treaty. Article 32, also based upon a proposal by the International Bureau, is inspired by the evolutionary nature of the process of harmonization manifested by the history of the preparations of the Treaty. It envisages the possibility of the Contracting Parties adopting one or more protocols to the Patent Law Treaty.

14. This document can only give a general overview of the provisions contained in the Basic Proposal for the Patent Law Treaty. Full details and explanations may be found in WIPO documents PLT/DC/3 and 4. The following explanations refer to the Basic Proposal for the Patent Law Treaty as it was presented to the first part of the Diplomatic Conference held in The Hague, in June 1991. It is to be noted that, following that first part of the Diplomatic Conference, the Basic Proposal will be revised, and resubmitted to the Diplomatic Conference when it resumes its work.

15. Articles 1 and 2, respectively, provide for the establishment of a Union for the purpose of the Treaty and some introductory definitions. According to Article 3(1), the application must disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art. Provision is made for the deposit of biological material where required for the purposes of disclosure of the invention. While this provision is generally accepted, Article 3(2) in conjunction with Rule 2(1)(vi) permits a Contracting Party interested in doing so to provide that the description should set forth the best mode for carrying out the invention known to the inventor at the filing date or, if applicable, priority date of the application.

16. Article 4, in conjunction with Rule 3, deals with the claims in the application. The claims can either be written in the more traditional way in two parts including the so-called characterizing portion or in a single statement containing a recitation of a combination of several elements or steps defining the matter for which protection is sought.

17. Article 5, concerning the unity of invention, requires that the application must relate to one invention only or to a group of inventions linked in such a way as to form a single general inventive concept. Rule 4 specifies that the requirement of unity of invention shall be regarded as fulfilled only when there is a technical relationship among those inventions involving one or more of the same or corresponding special technical features, i.e. technical features which define a contribution which each of those inventions, considered as a whole, makes over the prior art. Rule 5 deals with divisional applications filed where lack of unity of invention is found.

18. Article 6 contains provisions on the identification and mention of the inventor and the declaration concerning the entitlement of the applicant and thus supplements Article 4ter of the Paris Convention. Whereas Article 4ter requires mentioning of the inventor in the patent, Article 6 of the Patent Law Treaty would require that the inventor or the inventors be identified in the

application, and be mentioned in any publication of the Patent Office containing the application or a patent granted thereon. However, any Contracting Party may allow an inventor to request not to be mentioned. Moreover, any Contracting Party may require that the applicant (who is not the inventor) indicate the legal grounds of this entitlement to file the application.

19. Article 7 permits, subject to specified time limits, the delayed submission of a separate declaration of the priority claim and the delayed filing of an application containing a priority claim.

20. Article 8 sets out the standard requirements which have to be fulfilled for a filing date to be accorded. The standard requirements include an express or implicit indication that the granting of a patent is sought and indications allowing to establish the identity of the applicant and a part which, on the face of it, appears to be a description of an invention. Furthermore, Article 8 allows Contracting Parties to provide that the filing date may be withheld if, after expiration of a prescribed time limit, the application does not contain a part which appears to be a claim or claims, or if the required fee has not been paid; however, this possibility only exists if the Contracting Party already applied the relevant provisions when joining the Treaty. Article 8(3) also contains a provision permitting the replacement of the description, claims and drawings by reference to another application; and provisions relating to the filing of any required translations for the purposes of obtaining a filing date.

21. Article 9 deals with the right to a patent, establishing the principle that the right to obtain a patent belongs to the inventor. Where two or more inventors have independently made the same invention, the Article requires the application of the first-to-file principle.

22. Article 10 is presented in two alternatives. In its Alternative A, certain inventions and certain subject matter would be excluded from patentability, mandatorily or, on certain grounds, optionally. According to Alternative B, patent protection must be available for inventions, whether they concern products or processes, in all fields of technology. This provision has to be read in the light of Article 35, which in its Alternative B allows the possibility of making a reservation which, however, loses its effect within a certain time limit (15 years after the adoption of the Treaty for developing countries).

23. Article 11 defines novelty and inventive step as conditions of patentability. As a third condition, the invention has to be "industrially applicable" or "useful." In this context, industrial applicability has to be considered not only relating to products of industry, but also to agricultural and mineral products, and usefulness is to be understood as meaning capable of being used.

24. Article 12 deals with certain disclosures which do not affect novelty and inventive step (grace period). The Article would replace the strict limitations deriving from the absolute novelty requirement contained in the patent laws of many countries and in the European Patent Convention, by a broad grace period of twelve months.

25. Article 13 deals with the prior art effect of certain applications and follows the "whole-contents approach." It establishes the principle that

Contracting Parties must recognize, in the circumstances defined in the Article, the prior art effect, of all other applications that have an earlier filing date (or, where applicable, priority date) and that are subsequently published. The addition to the prior art of the contents of certain applications is made for the purpose of the assessment of the novelty of an invention claimed in later applications. It is provided, however, that any Contracting Party may consider the whole contents of the earlier application also for the purposes of evaluating the inventive step of the invention.

26. Article 14 concerns the amendment of an application following a finding by the Office of non-compliance with certain requirements, and permits the amendment of an application on the applicant's own initiative. It also establishes the basic principle that an amendment (whether made following a finding of non-compliance by the Office or on the applicant's own initiative) may not go beyond that which has been disclosed in the application as filed. However, the prohibition on amendments which introduce new matter applies only where the applicant wishes to retain the same filing date of the application after the amendment.

27. According to Article 15, a patent application has, in principle, to be published without delay after the expiration of 18 months of the filing or, if applicable, priority date. Applicants may request earlier publication. A Contracting Party may, however, reserve the right to publish applications after 24 months from the filing or priority date if, at the time of ratifying or acceding to the Treaty, it does not provide for the publication of applications after 18 months.

28. Article 16 provides for time limits applicable in Contracting Parties which require substantive examination as to patentability, for the publication of search reports and for the commencement and completion of substantive examination. The search report has to be published within 18 months --24 months under exceptional circumstances--from the filing date or, where applicable, priority date. Substantive examination has to start within three years from the filing date, and a final decision must normally be reached not later than two years thereafter.

29. Article 17 establishes the right of the owner of a patent to request that changes be made in the patent in two situations: in order to limit the extent of protection conferred by the patent, and in order to correct obvious mistakes or clerical errors. The type of change that may be effected in either of those two situations, however, is limited by the rule that no change is allowable where it would result in a disclosure contained in the patent going beyond the disclosure contained in the application as filed. Contracting Parties may also provide that changes can be made in a patent to correct other mistakes, but if such correction were to broaden the extent of protection of the patent, the correction may not be requested after two years from the grant of the patent. In any case, a correction must not affect third party rights.

30. Article 18 obliges Contracting Parties whose Offices conduct substantive examination to maintain an administrative system of post-grant revocation of patents, and prohibits systems of pre-grant opposition. Any person, including the patent holder himself, may initiate revocation proceedings. No request for revocation may be based on grounds of non-compliance with formal or procedural requirements.

31. Article 19 refers to the minimum rights that Contracting Parties must recognize as being conferred by a patent. Three alternatives are presented. Under Alternative A, no provision would be included in the Treaty on this subject. Therefore, the rights conferred by a patent would be determined by each Contracting Party. Under Alternatives B and C, the Treaty would establish minimum rights conferred by a patent. Alternative B provides for a broader scope of protection than Alternative C, in respect of process patents and contributory infringement. Exceptions to the patent rights are contemplated in both Alternatives B and C. The exceptions relate, in particular, to the exhaustion of rights, private non-commercial acts, and experimental use of an invention.

32. Article 20 concerns the rights of a prior user of an invention. It is provided that a patent will have no effect against any person who, in good faith before the filing or priority date of the application on which the patent is granted and within the territory where the patent produces its effects, was using the invention or was making effective and serious preparations for such use. Two alternatives are contemplated. Under Alternative A, this provision would be optional for Contracting Parties. Under Alternative B, the prior user exception would be mandatory.

33. Article 21 establishes the principles for determining the extent of protection that is conferred by a patent. It contains, among other things, the basic rule that the extent of protection conferred by a patent is determined by the claims, which must be interpreted in the light of the description and drawings, and the so-called "doctrine of equivalents." Besides that, it sets out the guiding principles for the interpretation of the claims and, thus, for the determination of the extent of protection.

34. Article 22 deals with the term of patents. Alternative A of Article 22 proposes that there be no provision in the Treaty dealing with the term of patent, so this matter would be determined by each Contracting Party. Alternative B provides that the term of a patent shall be at least of 20 years from the filing date. This provision, however, has to be read in connection with Article 35 which provides for the possibility of making a reservation (for a maximum of ten years--15 years for developing countries--from the adoption of the Treaty) relating to the term of a patent.

35. Article 23 sets out the minimum measures for which each Contracting Party is obliged to provide to enforce the rights conferred by the patent and the rights conferred by the publication of the application.

36. Article 24 deals with the reversal of burden of proof in infringement proceedings. Alternative A proposes that there be no provision in the Treaty dealing with this matter, which would be left to the individual Contracting Parties. According to Alternative B, where the subject matter of the patent is a process for obtaining a product, any identical product shall, in the absence of proof to the contrary and at least in the case where the product is new, be deemed to have been obtained by the patented process.

37. Article 25 deals with obligations of the right holder. Under proposed Alternative A, the Treaty would not contain a provision on this matter, whereby this would be left to the individual Contracting Parties to regulate. Alternative B provides for certain minimum obligations which patent holders should comply with. They include full disclosure of the patented invention, working the patented invention within prescribed time limits, and abstention from abusive, restrictive or anticompetitive practices in connection with the patent.

38. Article 26 deals with remedial measures for ensuring compliance with the obligations set out in Article 25. Alternative A proposes that the Treaty not include provisions on this subject. Alternative B stipulates that Contracting States are free to provide for certain measures in cases of non-compliance with the said obligations, including non-voluntary licenses and revocation or forfeiture of the patent.

The Draft Agreement at the GATT

39. At the time of writing this document, it is not yet known whether the Uruguay Round of the GATT (General Agreement on Tariffs and Trade) negotiations will result in the adoption of norms in the field of intellectual property. But what is reflected by the latest draft agreement (December 1990) of GATT in this area*, at least some countries proposed that such norms cover the following questions also covered by the Basic Proposal for the Patent Law Treaty : exclusions from patent protection, rights of the owner of the patent, term of the patent, enforcement of patent rights and reversal of the burden of proof in the case of certain process patents, obligations of the right holder and remedial measures under national legislation. These are dealt with in the Basic Proposal in Articles 10, 19, 22, 23, 24, 25 and 26, respectively. The subject matter covered by the remaining 18 substantive articles of the Basic Proposal does not seem to be covered, or is covered only marginally, by the GATT draft agreement.

[Annex follows]

* Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (see GATT document MTN.TNC/W/35/Rev.1, page 196 et seq.).

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WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

# DIPLOMATIC CONFERENCE FOR THE CONCLUSION OF A TREATY SUPPLEMENTING THE PARIS CONVENTION AS FAR AS PATENTS ARE CONCERNED

**The Hague, June 3 to 28, 1991**

## THE "BASIC PROPOSAL" FOR THE TREATY AND THE REGULATIONS

submitted, under Rule 29(1) of the Draft Rules of Procedure, by the Director General of WIPO

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# TREATY SUPPLEMENTING THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY AS FAR AS PATENTS ARE CONCERNED (PATENT LAW TREATY)

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The Contracting Parties,

Alternative A

DESIRING to strengthen international cooperation in respect of the protection of inventions,

CONSIDERING that such protection is facilitated by a harmonization of patent law,

RECOGNIZING the need to take into consideration the public policy objectives underlying national patent law,

TAKING INTO ACCOUNT development, technological and public interest objectives of the Contracting Parties,

HAVE CONCLUDED the present Treaty, which constitutes a special agreement within the meaning of Article 19 of the Paris Convention for the Protection of Industrial Property.

Alternative B

Note: Same text as Alternative A, without the third and fourth paragraphs.

## Article 1

## Establishment of a Union

The States and intergovernmental organizations party to this Treaty (hereinafter called "the Contracting Parties") constitute a Union for the purposes of this Treaty.

## Article 2

## Definitions

For the purposes of this Treaty, unless expressly stated otherwise:

(i) references to an "application" or "application for a patent" shall be construed as references to an application for a patent for invention;

(ii) "priority date" means the filing date of the application for a patent, utility model or other title protecting an invention which has been filed with another or, where the Contracting Party so provides, the same Office and the priority of which is claimed; where the priorities of two or more such applications are claimed, the priority date,

(a) for the purposes of computing time limits, shall be the filing date of the earliest-filed of those applications,

(b) for any other purpose, shall be, for each element of the invention, the filing date of the earliest-filed of those applications which contains that element;

(iii) "prescribed" means prescribed in the Regulations under this Treaty that are referred to in Article 29;

(iv) references to a "patent" shall be construed as references to a patent for invention;

(v) "Office" means the governmental or intergovernmental agency entrusted with the granting of patents by a Contracting Party;

[Article 2, continued]

(vi) references to a "person" shall be construed as references to both a natural person and a legal entity;

(vii) "Director General" means the Director General of the World Intellectual Property Organization;

(viii) "published" means made accessible to the public;

(ix) "substantive examination" means the examination of an application by an Office to determine whether the invention claimed in the application satisfies the conditions of patentability referred to in Article 11(2) and (3);

(x) references to an "instrument of ratification" shall be construed as including references to instruments of acceptance and approval;

(xi) "Assembly" means the Assembly of the Union;

(xii) "Union" means the Union referred to in Article 1;

(xiii) "Organization" means the World Intellectual Property Organization;

(xiv) "Regulations" means the Regulations under this Treaty that are referred to in Article 29.

## Article 3

## Disclosure and Description

(1) [Disclosure] (a) The application shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art.

(b) Where the application refers to biologically reproducible material which cannot be disclosed in the application in such a way as to enable the invention to be carried out by a person skilled in the art and such material is not available to the public, the application shall be supplemented by a deposit of such material with a depositary institution. Any Contracting Party may require that the deposit be made on or before the filing date or, where priority is claimed, the priority date of the application.

(2) [Description] (a) The application shall contain a description.

(b) The description shall have the prescribed contents, and such contents shall be presented in the prescribed order.

(3) [Prohibition of Other Requirements] In respect of the disclosure or the description, no requirement additional to or different from those provided for in this Article and in the relevant provisions of the Regulations may be imposed.

## Article 4

## Claims

(1) [Requirement of Claims in the Application] The application shall contain one or more claims.

(2) [Contents of the Claims] The claims shall define the matter for which protection is sought.

(3) [Style of the Claims] Each claim shall be clear and concise.

(4) [Relation of the Claims with the Description] The claims shall be supported by the description.

(5) [Manner of Presentation of the Claims] (a) The claims shall be presented in the prescribed manner.

(b) A Contracting Party shall be free not to require compliance with all of the requirements prescribed under subparagraph (a).

(6) [Prohibition of Other Requirements] In respect of the claims, no requirement additional to or different from those provided for in paragraphs (1) to (4) and (5)(a) may be imposed.

## Article 5

## Unity of Invention

(1) [Requirement of Unity of Invention] The application shall relate to one invention only or to a group of inventions so linked as to form a single general inventive concept ("requirement of unity of invention").

(2) [Validity of Patent Not Affected by Lack of Unity of Invention] The fact that a patent has been granted on an application that did not comply with the requirement of unity of invention shall not be a ground for the invalidation or revocation of the patent.

## Article 6

## Identification and Mention of Inventor; Declaration Concerning the Entitlement of the Applicant

(1) [Identification of the Inventor in the Application] (a) The application shall, as prescribed, identify the inventor or, where there are several inventors, all of them.

(b) No patent may be granted on an application that does not identify an inventor.

(2) [Mention of the Inventor in Publications of the Office] Any publication of the Office, containing the application or the patent granted thereon, shall mention the inventor or inventors as such, provided that any inventor may request, in a declaration signed by him and filed with the Office, that such publications should not mention him as inventor, in which case the Office shall proceed accordingly.

(3) [Indication of the Applicant's Entitlement] Any Contracting Party may require that the applicant indicate the legal grounds of his entitlement to file the application.

(4) [Prohibition of Other Requirements] In respect of the identification or mention of the inventor or in respect of the indication of the applicant's entitlement, no requirement additional to or different from those provided for in the preceding paragraphs may be imposed.

## Article 7

## Belated Claiming of Priority

(1) [Delayed Submission of Priority Claim] Where the application ("the subsequent application") could have claimed the priority of an earlier application but, when filed, did not contain such priority claim, the applicant shall have the right to claim such priority in a separate declaration submitted to the Office within a period to be fixed by the Contracting Party which shall be at least two months from the filing date of the subsequent application and not more than four months from the date on which a period of 12 months from the filing date of the earlier application expired.

[(2) [Delayed Filing of the Subsequent Application] Where the application ("the subsequent application") which claims or could have claimed the priority of an earlier application is filed after the date on which a period of 12 months from the filing date of the earlier application expired but before the expiration of a period of two months from the date on which that 12-month period expired, the Office shall restore the right of priority upon an express request submitted to the Office before the expiration of the said two-month period, if the request states and the Office finds that, in spite of all due care required by the circumstances, the subsequent application could not have been filed within the said 12-month period. The request for restoration shall state the grounds on which it is based, and the Office may require the production of corresponding evidence.]

## Article 8

## Filing Date

(1) [Absolute Requirements] The filing date of the application shall be the date of receipt by the Office of at least the following elements:

(i) an express or implicit indication that the granting of a patent is sought;

(ii) indications allowing the identity of the applicant to be established;

(iii) a part which, on the face of it, appears to be a description of an invention.

(2) [Permitted Additional Requirements] (a) A Contracting Party may provide that the filing date may be refused if either of the following requirements is not satisfied within the prescribed time limit:

(i) the application contains a part which, on the face of it, appears to be a claim or claims;

(ii) the required fee is paid.

Where a Contracting Party provides for any of the foregoing requirements and the requirements are complied with later than the date of receipt by the Office of the elements referred to in paragraph (1), but within the prescribed time limit, the filing date of the application shall be the date of receipt by the Office of the said elements.

[Article 8(2), continued]

(b) A Contracting Party may apply a requirement referred to in subparagraph (a) only if

(i) it applied such requirement at the time of becoming party to this Treaty, or

(ii) it has, after having become party to this Treaty, to apply such requirement in order to comply with an obligation under a treaty concluded before the date of entry into force of this Treaty.

(3) [Drawings] If the application refers to drawings but such drawings are not received by the Office at the date of receipt of the elements referred to in paragraph (1), at the option of the applicant either any reference to the drawings shall be deemed to be deleted or the filing date of the application shall be the date on which the drawings are received by the Office.

[Article 8, continued]

(4) [Replacing Description, Claims and Drawings by Reference to Another Application] Notwithstanding paragraphs (1), (2) and (3),

Alternative A: each Contracting Party shall

Alternative B: any Contracting Party may

provide that a reference in the application to another previously filed application for the same invention by the same applicant or his predecessor in title may, for the purposes of the filing date of the application, replace any of the following elements:

(i) the part which, on the face of it, appears to be a description of an invention,

(ii) the part which, on the face of it, appears to be a claim or claims, or

(iii) any drawings,

provided that the said parts and drawings and, where the other application was not filed with the same Office, a certified copy of the other application are received by the Office within the prescribed time limit. If the said parts and drawings, and, where required, the certified copy, are received by the Office within the said time limit, the filing date of the application shall, provided that the other requirements concerning the filing date are fulfilled, be the date on which the application containing the reference to the previously filed application was received by the Office.

[Article 8, continued]

(5) [Language] (a) Any Contracting Party may require that the indications referred to in paragraph (1)(i) and (ii) be in the official language.

(b) Any Contracting Party may, if any of the parts referred to in paragraph (1)(iii) and paragraph (2)(a)(i) or any text matter contained in any drawings is in a language other than the official language, require that a translation thereof in the official language be received by its Office within the prescribed time limit. If the translation is so received, the filing date of the application shall be the date of receipt by the Office of the elements referred to in paragraph (1) in the language in which they were first received.

(c) Any Contracting Party may require that the parts referred to in paragraph (4)(i) and (ii) and any text matter contained in drawings referred to in paragraph (4)(iii) be furnished in the official language within the time limit referred to in paragraph (4).

(d) For the purposes of this paragraph, "official language" means the official language of the Office or, if there are several such languages, any of them.

[Article 8, continued]

(6) [Prohibition of Other Requirements] (a) In respect of the filing date, no requirement additional to or different from those provided for in the preceding paragraphs may be imposed.

(b) Notwithstanding subparagraph (a), a Contracting Party may, for the purposes of any treaty providing for the grant of regional patents, require that an application for a regional patent contain the designation of at least one State party to that treaty.

## Article 9

## Right to a Patent

(1) [Right of Inventor] The right to a patent shall belong to the inventor. Any Contracting Party shall be free to determine the circumstances under which the right to the patent shall belong to the employer of the inventor or to the person who commissioned the work of the inventor which resulted in the invention.

(2) [Right Where Several Inventors Independently Made the Same Invention] Where two or more inventors independently have made the same invention, the right to a patent for that invention shall belong,

(i) where only one application is filed in respect of that invention, to the applicant, as long as the application is not withdrawn or abandoned, is not considered withdrawn or abandoned, or is not rejected, or

(ii) where two or more applications are filed in respect of that invention, to the applicant whose application has the earliest filing date or, where priority is claimed, the earliest priority date, as long as the said application is not withdrawn or abandoned, is not considered withdrawn or abandoned, or is not rejected.

## Article 10

## Fields of Technology

Alternative A

(1) Patent protection shall be available for inventions in all fields of technology which are new, which involve an inventive step and which are industrially applicable, except for:

(i) inventions whose use would be contrary to public order, law or morality or injurious to public health;

(ii) plant or animal varieties or essentially biological processes for the production of plants or animals;

(iii) discoveries and materials or substances already existing in nature;

(iv) methods of medical treatment for humans or animals;

(v) nuclear and fissionable material.

(2) Contracting States may, on grounds of public interest, national security, public health, nutrition, national development and social security, exclude from patent protection, either in respect of products or processes for the manufacture of those products, certain fields of technology, by national law.

[Article 10, Alternative A, continued]

(3) Contracting States shall notify the Director General of such exclusions by a written declaration. Any such declaration may be withdrawn at any time totally or partially by notification addressed to the Director General.

Alternative B

Patent protection shall be available for inventions, whether they concern products or processes, in all fields of technology.

## Article 11

## Conditions of Patentability

(1) [Patentability] In order to be patentable, an invention shall be novel, shall involve an inventive step (shall be non-obvious) and shall be, at the option of the Contracting Party, either useful or industrially applicable.

(2) [Novelty] (a) An invention shall be considered novel if it does not form part of the prior art. For the determination of novelty, items of prior art may only be taken into account individually.

(b) The prior art shall consist of everything which, before the filing date or, where priority is claimed, the priority date of the application claiming the invention, has been made available to the public anywhere in the world.

[(c) Notwithstanding subparagraph (b), any Contracting Party shall be free to exclude from the prior art matter made available to the public, by oral communication, by display or through use, in a place or space which is not under its sovereignty or, in the case of an intergovernmental organization, under the sovereignty of one of its member States.]

(3) [Inventive Step (Non-Obviousness)] An invention shall be considered to involve an inventive step (be non-obvious) if, having regard to the prior art as defined in paragraph (2), it would not have been obvious to a person skilled in the art at the filing date or, where priority is claimed, the priority date of the application claiming the invention.

## Article 12

## Disclosures Not Affecting Patentability (Grace Period)

(1) [Circumstances of Disclosure Not Affecting Patentability]
Disclosure of information which otherwise would affect the patentability of an invention claimed in the application shall not affect the patentability of that invention where the information was disclosed, during the 12 months preceding the filing date or, where priority is claimed, the priority date of the application,

(i) by the inventor,

(ii) by an Office and the information was contained

(a) in another application filed by the inventor and should not have been disclosed by the Office, or

(b) in an application filed without the knowledge or consent of the inventor by a third party which obtained the information direct or indirectly from the inventor,

or

(iii) by a third party which obtained the information direct or indirectly from the inventor.

[Article 12, continued]

(2) [<u>"Inventor"</u>] For the purposes of paragraph (1), "inventor" also means any person who, at the filing date of the application, had the right to the patent.

(3) [<u>No Time Limit for Invoking Grace Period</u>] The effects of paragraph (1) may be invoked at any time.

(4) [<u>Evidence</u>] Where the applicability of paragraph (1) is contested, the party invoking the effects of that paragraph shall have the burden of proving, or of making the conclusion likely, that the conditions of that paragraph are fulfilled.

## Article 13

## Prior Art Effect of Certain Applications

(1) [Principle of "Whole Contents"] (a) Subject to subparagraph (b), the whole contents of an application ("the former application") as filed in, or with effect for, a Contracting Party shall, for the purpose of determining the novelty of an invention claimed in another application filed in, or with effect for, that Contracting Party, be considered as prior art from the filing date of the former application on condition that the former application or the patent granted thereon is published subsequently by the authority competent for the publication of that application or patent. Any Contracting Party may consider the whole contents of the former application to be prior art also for the purpose of determining whether the invention satisfies the requirement of inventive step (non-obviousness).

(b) Where the former application referred to in subparagraph (a) claims the priority of an earlier application for a patent, utility model or other title protecting an invention, matter that is contained in both the former application and such earlier application shall be considered as prior art in accordance with subparagraph (a) from the priority date of the former application.

(c) For the purposes of subparagraph (a), the "whole contents" of an application consists of the description and any drawings, as well as the claims, but not the abstract.

[Article 13, continued]

(2) [Applications No Longer Pending] Where the former application referred to in paragraph (1)(a) has been published in spite of the fact that, before the date of its publication, it was withdrawn or abandoned, was considered withdrawn or abandoned, or was rejected, it shall not be considered as prior art for the purposes of paragraph (1)(a).

(3) [International Applications Under the PCT] As regards international applications filed under the Patent Cooperation Treaty, any Contracting Party may provide that paragraph (1) shall apply only if the acts referred to in Article 22 or, where applicable, Article 39(1) of that Treaty have been performed.

(4) [Self-Collision] [(a)] Paragraph (1) shall not apply when the applicant of, or the inventor identified in, the former application, and the applicant of, or the inventor identified in, the application under examination, is one and the same person.

[(b) Any Contracting Party that considers the whole contents of the former application to be prior art only for the purpose of determining the novelty of the invention shall be free not to apply subparagraph (a).]

## Article 14

## Amendment or Correction of Application

(1) [Amendments or Corrections Following Office Findings] Wherever the Office finds that the application does not comply with any requirements applicable to it, it shall give the applicant at least one opportunity to amend or correct the application or to comply with the said requirements. Such an opportunity need not be given before the application has a filing date.

(2) [Amendments or Corrections on Applicant's Initiative] The applicant shall have the right, on his own initiative, to amend or correct the application or to comply with a requirement applicable to the application up to the time when the application is in order for grant; however, any Contracting Party which provides for substantive examination may provide that the applicant shall have the right to amend or correct, on his own initiative, the description, the claims and any drawings, only up to the time allowed for the reply to the first substantive communication from the Office.

(3) [Limitation of Amendments or Corrections] No amendment or correction of the application may go beyond what has been disclosed in the application as filed.

## Article 15

## Publication of Application

(1) [Requirement to Publish the Application] (a) Subject to paragraphs (2) to (4), the Office shall publish the application as soon as possible after the expiration of 18 months from the filing date or, where priority is claimed, the priority date.

(b) Notwithstanding subparagraph (a), any Contracting Party that, at the time of depositing its instrument of ratification of, or accession to, this Treaty, does not provide for the publication of applications as provided in subparagraph (a) may notify the Director General at the said time that it reserves the right to publish applications as soon as possible after the expiration of 24 months, rather than 18 months, from the filing date or, where priority is claimed, the priority date.

(2) [Earlier Publication at Applicant's Request] If, before the expiration of the time limit referred to in paragraph (1), the applicant requests that the application be published, the Office shall, without delay after the receipt of the request, publish the application.

(3) [National Security] Any Contracting Party shall be free not to publish an application for reasons of national security.

[Article 15, continued]

(4) [Circumstances in Which Publication May Not Take Place] (a) No application may be published if it is withdrawn or abandoned or is considered withdrawn or abandoned

(i) earlier than two months before the expiration of the time limit applicable under paragraph (1) or,

(ii) where the Office completes the technical preparations for publication later than two months before the expiration of the time limit applicable under paragraph (1), prior to the completion of such preparations.

(b) No application may be published if it has been rejected.

## Article 16

## Time Limits for Search and Substantive Examination

(1) [Time Limits for Search] (a) If a Contracting Party provides for substantive examination, its Office shall publish, at the same time as the application is published under Article 15, a report, established by or on behalf of that Office, citing any documents that reflect the prior art relevant to the invention claimed in the application (hereinafter referred to as "the search report").

(b) Notwithstanding subparagraph (a), where Article 15(2) applies, the search report need not be published at the same time as the application, provided that it shall be published as soon as possible, but not later than the expiration of the time limit applicable under Article 15(1).

(c) If, notwithstanding subparagraphs (a) and (b), for any exceptional reason, the search report cannot be published as provided for in those subparagraphs, it shall be published as soon as possible and in no case later than six months after the expiration of the time limit applicable under Article 15(1).

[Article 16, continued]

(2) [Time Limits for Substantive Examination] (a) If a Contracting Party provides for substantive examination, its Office shall start the substantive examination of the application not later than three years from the filing date of the application.

(b) Notwithstanding subparagraph (a), a Contracting Party shall be free to provide that no substantive examination shall be carried out and the application shall be considered withdrawn or abandoned, or shall be rejected, if a request is not made, within three years from the filing date of the application, to its Office by the applicant or any third party that substantive examination should start. Where such a request is made, the Office shall start the substantive examination promptly after receipt of the request.

(c) The Office shall, wherever possible, reach a final decision on the application not later than two years after the start of substantive examination.

## Article 17

## Changes in Patents

(1) [Limitation of Extent of Protection] The owner of a patent shall have the right to request the competent Office to make changes in the patent in order to limit the extent of the protection conferred by it.

(2) [Obvious Mistakes and Clerical Errors] The owner of a patent shall have the right to request the competent Office to make changes in the patent in order to correct obvious mistakes or to correct clerical errors.

(3) [Additional Changes That May Be Allowed] Each Contracting Party may provide that the owner of a patent shall have the right to request the competent Office to make changes in the patent in order to correct mistakes or errors, other than those referred to in paragraph (2), made in good faith, provided that, where the change would result in a broadening of the extent of protection conferred by the patent, no request may be made after the expiration of two years from the grant of the patent and the change shall not affect the rights of any third party which has relied on the patent as published.

(4) [Changes Affecting the Disclosure] No change in the patent shall be permitted under paragraphs (1) or (3) where the change would result in the disclosure contained in the patent going beyond the disclosure contained in the application as filed.

[Article 17, continued]

(5) [Decision in Respect of the Request and Publication of the Changes] If, and to the extent to which, the competent Office changes the patent according to paragraphs (1), (2) or (3), it shall publish the changes.

## Article 18

## Administrative Revocation

(1) [Administrative Revocation] (a) Where a patent was granted after substantive examination, any person shall have the right to request the competent Office to revoke the patent, in whole or in part, at least on the ground that, because of one or several documents available to the public, the conditions of novelty or inventive step are not satisfied.

(b) The request for revocation may be presented during a period to be fixed by the Contracting Party which shall commence from the announcement in the official gazette of the grant of the patent and shall not be less than six months.

(c) No request for revocation may be based on grounds of non-compliance with formal or procedural requirements.

(d) No decision may be made by the Office departing from the request unless the person having made the request has had at least one opportunity to present his arguments on the grounds on which the Office intends to depart from the request.

(e) The Office may not revoke the patent, in whole or in part, at the request of a third party, unless the owner of the patent has had at least one opportunity to present his arguments on the grounds on which the Office intends to revoke the patent.

[Article 18, continued]

(2) [Prohibition of Pre-grant Opposition] (a) No Contracting Party may allow any party to oppose, before its Office, the grant of patents ("pre-grant opposition").

(b) Notwithstanding subparagraph (a), any Contracting Party which, at the time of becoming party to this Treaty, provides for the possibility of pre-grant opposition may, for a period not exceeding the expiration of the tenth calendar year after the year in which this Treaty was adopted, continue to do so and, for the same period, it shall not be obliged to apply paragraph (1).

(c) Any Contracting Party that wishes to avail itself of the faculty provided for in subparagraph (b) shall address a corresponding notification to the Director General. As long as the notification has effect, any reference in this Treaty or in the Regulations to the time when the application is in order for grant shall be replaced, with respect to that Contracting Party, by a reference to the time when the application is in order for publication for the purposes of pre-grant opposition.

## Article 19

## Rights Conferred by the Patent

Alternative A

Note: No article on the rights conferred by the patent.

Alternative B

(1) [Products] Where the subject matter of the patent concerns a product, the owner of the patent shall have the right to prevent third parties from performing, without his authorization, at least the following acts:

(i) the making of the product,

(ii) the offering or the putting on the market of the product, the using of the product, or the importing or stocking of the product for such offering or putting on the market or for such use.

(2) [Processes] Where the subject matter of the patent concerns a process, the owner of the patent shall have the right to prevent third parties from performing, without his authorization, at least the following acts:

(i) the using of the process,

(ii) in respect of any product directly resulting from the use of the process, any of the acts referred to in paragraph (1)(ii), even where a patent cannot be obtained for the said product.

[Article 19, Alternative B, continued]

(3) [Exceptions to Paragraphs (1) and (2)] (a) Notwithstanding paragraphs (1) and (2), any Contracting Party may provide that the owner of a patent has no right to prevent third parties from performing, without his authorization, the acts referred to in paragraphs (1) and (2) in the following circumstances:

(i) where the act concerns a product which has been put on the market by the owner of the patent, or with his express consent, insofar as such act is performed after that product has been so put on the market in the territory of that Contracting Party or, where the Contracting Party is a member of a group of States constituting a regional market, in the territory of one of the member States of such group;

(ii) where the act is done privately and on a non-commercial scale or for a non-commercial purpose, provided that it does not significantly prejudice the economic interests of the owner of the patent;

(iii) where the act consists of making or using exclusively for the purpose of experiments that relate to the subject matter of the patented invention [or for the purpose of seeking regulatory approval for marketing];

(iv) where the act consists of the preparation for individual cases, in a pharmacy or by a medical doctor, of a medicine in accordance with a medical prescription or acts concerning the medicine so prepared.

[Article 19(3), Alternative B, continued]

(b) The provisions of paragraphs (1) and (2) shall not be interpreted as affecting the freedom that Contracting Parties have under the Paris Convention for the Protection of Industrial Property to allow, under certain circumstances, the performance of acts without the authorization of the owner of the patent.

(4) [Contributory Infringement] (a) Subject to subparagraph (b), a patent shall also confer on its owner [at least] the right to prevent a third party from supplying or offering to supply a person, other than a party entitled to exploit the patented invention, with means, relating to an essential element of that invention, for carrying out the invention, when the third party knows, or it is obvious in the circumstances, that those means are suitable and intended for carrying out that invention. This provision shall not apply when the means are staple commercial products and the circumstances of the supply of such products do not constitute inducement to infringe the patent.

(b) Persons performing the acts referred to in paragraph (3)(a)(ii), (iii) and (iv) shall not be considered to be parties entitled to exploit the invention within the meaning of subparagraph (a).

[Article 19, continued]

Alternative C

(1) [Products] Where the subject matter of the patent concerns a product, the owner of the patent shall have the right to prevent third parties from performing, without his authorization, at least the following acts:

(i) the making of the product,

(ii) the offering for sale of the product, and the using of the product.

(2) [Processes] Where the subject matter of the patent concerns a process, the owner of the patent shall have the right to prevent third parties from performing, without his authorization, the using of the process.

[Article 19, Alternative C, continued]

(3) [Exceptions to Paragraphs (1) and (2)] (a) Notwithstanding paragraphs (1) and (2), any Contracting State shall be free to provide that the owner of a patent has no right to prevent third parties from performing, without his authorization, the acts referred to in paragraphs (1) and (2) in the following circumstances:

(i) where the act concerns the offer for sale or the use of a product which has been offered for sale by the owner of the patent, or with his express consent, insofar as such an act is performed after the product has been so offered for sale in the territory of that Contracting State;

(ii) where the act is done privately and on a non-commercial scale;

(iii) where the act consists of making or using for exclusively experimental, academic or scientific research purposes;

(iv) where the act consists of the preparation for individual cases, in a pharmacy or by a medical doctor, of a medicine in accordance with a medical prescription or acts concerning the medicine so prepared.

[Article 19(3), Alternative C, continued]

(b) The provisions of paragraphs (1) and (2) shall not be interpreted as affecting the freedom that Contracting States have under the Paris Convention for the Protection of Industrial Property, to allow, under certain circumstances, the performance of acts without the authorization of the owner of the patent.

(c) Persons performing the acts referred to in paragraph (3)(a)(ii), (iii) and (iv) shall not be considered to be parties entitled to exploit the invention within the meaning of subparagraph (a).

## Article 20

## Prior User

(1) [Right of Prior User]

**Alternative A**

Any Contracting Party may provide that, notwithstanding Article 19, a patent shall have no effect against any person (hereinafter referred to as "the prior user") who, in good faith, for the purposes of his enterprise or business, before the filing date or, where priority is claimed, the priority date of the application on which the patent is granted, and within the territory where the patent produces its effect, was using the invention or was making effective and serious preparations for such use; any such person shall have the right, for the purposes of his enterprise or business, to continue such use or to use the invention as envisaged in such preparations.

**Alternative B**

Notwithstanding Article 19, a patent shall have no effect against any person (hereinafter referred to as "the prior user") who, in good faith, for the purposes of his enterprise or business, before the filing date or, where priority is claimed, the priority date of the application on which the patent is granted, and within the territory where the patent produces its effect, was using the invention or was making effective and serious preparations for such use; any such person shall have the right, for the purposes of his enterprise or business, to continue such use or to use the invention as envisaged in such preparations.

(2) [Successor-in-Title of the Prior User] The right of the prior user may only be transferred or devolve together with his enterprise or business, or with that part of his enterprise or business in which the use or preparations for use have been made.

## Article 21

## Extent of Protection and Interpretation of Claims

(1) [Determination of the Extent of Protection] (a) The extent of protection conferred by the patent shall be determined by the claims, which are to be interpreted in the light of the description and drawings.

(b) For the purposes of subparagraph (a), the claims shall be so interpreted as to combine fair protection for the owner of the patent with a reasonable degree of certainty for third parties. In particular, the claims shall not be interpreted as being confined to their strict literal wording. Neither shall the claims be considered as mere guidelines allowing that the protection conferred by the patent extends to what, from a consideration of the description and drawings by a person skilled in the art, the owner has contemplated, but has not claimed.

(2) [Equivalents] (a) Notwithstanding paragraph (1)(b), a claim shall be considered to cover not only all the elements as expressed in the claim but also equivalents.

[Article 21(2), continued]

(b) An element ("the equivalent element") shall generally be considered as being equivalent to an element as expressed in a claim if, at the time of any alleged infringement, either of the following conditions is fulfilled in regard to the invention as claimed:

(i) the equivalent element performs substantially the same function in substantially the same way and produces substantially the same result as the element as expressed in the claim, or

(ii) it is obvious to a person skilled in the art that the same result as that achieved by means of the element as expressed in the claim can be achieved by means of the equivalent element.

(c) Any Contracting Party shall be free to determine whether an element is equivalent to an element as expressed in a claim by reference to only the condition referred to in subparagraph (b)(i) or to only the condition referred to in subparagraph (b)(ii), provided that, at the time of depositing its instrument of ratification of or accession to this Treaty, it so notifies the Director General.

(3) [Prior Statements] In determining the extent of protection, due account shall be taken of any statement limiting the scope of the claims made by the applicant or the owner of the patent during procedures concerning the grant or the validity of the patent.

[Article 21, continued]

(4) [Examples] If the patent contains examples of the embodiment of the invention or examples of the functions or results of the invention, the claims shall not be interpreted as limited to those examples; in particular, the mere fact that a product or process includes additional features not found in the examples disclosed in the patent, lacks features found in such examples or does not achieve every objective or possess every advantage cited or inherent in such examples shall not remove the product or process from the extent of protection conferred by the claims.

(5) [Abstract] The abstract of a patent shall not be taken into account for the purpose of determining the protection conferred by the patent.

## Article 22

## Term of Patents

Alternative A

Note: No article on the term of patents.

Alternative B

(1) [Minimum Duration of Protection] The term of a patent shall be at least 20 years.

(2) [Starting Date of Term] (a) The starting date of the term of a patent shall be the filing date of the application on which the patent is granted, whether or not the application claims the priority of another application.

(b) Notwithstanding subparagraph (a), where an application ("the subsequent application") invokes one or more earlier applications without claiming the priority of any of those earlier applications, the starting date of the term of the patent granted on the subsequent application shall be the filing date of the earliest-filed application invoked in the subsequent application.

## Article 23

## Enforcement of Rights

(1) [Enforcement Based on Patents] The owner of the patent shall have at least the right

(i) to obtain an injunction to restrain the performance or the likely performance, by any person without his authorization, of any of the acts referred to in Article 19(1), (2) and (4);

(ii) to obtain damages, adequate under the circumstances, from any person who, without his authorization, performed any of the acts referred to in Article 19(1), (2) and (4), where the said person was or should have been aware of the patent.

(2) [Enforcement Based on Published Applications] (a) The applicant shall at least have the right to obtain reasonable compensation from any person who, without his authorization, performed any of the acts referred to in Article 19(1), (2) and (4) in relation to any invention, claimed in the published application, as if a patent had been granted for that invention, provided that the said person, at the time of the performance of the act, had

(i) actual knowledge that the invention that he was using was the subject matter of a published application, or

(ii) received written notice that the invention that he was using was the subject matter of a published application, such application being identified in the said notice by its serial number.

[Article 23(2), continued]

(b) Any Contracting Party may provide that, with respect to the compensation referred to in subparagraph (a), an action may not be initiated or a decision may not be made until after the grant of a patent on the published application, provided that, if an action may be initiated only after the grant of the patent, the owner of the patent shall have reasonable time to initiate such action.

(c) For the purposes of subparagraphs (a) and (b), the extent of the protection shall be determined by the claims as appearing in the published application. However, if the claims are amended after the initial publication of the application, the extent of the protection shall be determined by the amended claims in respect of the period following their publication. Furthermore, if the claims of the patent as granted or as changed after its grant have a narrower scope than the claims in the application, the extent of the protection shall be determined by the claims with the narrower scope.

## Article 24

## Reversal of Burden of Proof

### Alternative A

Note: No article on the reversal of the burden of proof.

### Alternative B

(1) [Conditions for the Reversal of the Burden of Proof] (a) For the purposes of proceedings, other than criminal proceedings, in respect of the violation of the rights of the owner of the patent referred to in Article 19(2), where the subject matter of the patent is a process for obtaining a product, the burden of establishing that a product was not made by the process shall be on the alleged infringer if either of the following conditions is fulfilled:

(i) the product is new, or

(ii) a substantial likelihood exists that the product was made by the process and the owner of the patent has been unable through reasonable efforts to determine the process actually used.

(b) Any Contracting Party shall be free to provide that the burden of proof indicated in subparagraph (a) shall be on the alleged infringer only if the condition referred to in subparagraph (a)(i) is fulfilled or only if the condition referred to in subparagraph (a)(ii) is fulfilled, provided that, at the time of depositing its instrument of ratification of or accession to this Treaty, it so notifies the Director General.

[Article 24, Alternative B, continued]

(2) [Manufacturing and Business Secrets] In requiring the production of evidence, the authority before which the proceedings referred to in paragraph (1) take place shall take into account the legitimate interests of the alleged infringer in not disclosing his manufacturing and business secrets.

## Article 25

## Obligations of the Right Holder

Alternative A

Note: No article on obligations of the right holder.

Alternative B

(1) The owner of a patent shall have at least the following obligations in addition to any other provided for in this Treaty:

(i) to disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art; the description shall set forth at least one mode for carrying out the invention claimed; this shall be done in terms of examples, where appropriate, and with reference to the drawings, if any; however, any Contracting Party may provide that the description set forth the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, priority date of the application;

(ii) to provide such information and supporting documents in his possession as is requested by the competent Office concerning corresponding foreign applications and grants;

(iii) to work the patented invention in the territory of the Contracting State for which it is granted within the time limits as provided by national law;

[Article 25(1), Alternative B, continued]

(iv) to pay, or cause to be paid, such fees as prescribed by national law in relation to the application and the maintenance of the patent granted on it;

(v) in respect of license contracts and contracts assigning patents, to refrain from engaging in abusive, restrictive or anticompetitive practices adversely affecting the transfer of technology.

(2) The applicant or holder of a patent shall comply with any other obligations established in the national law of the State in which the patent was granted in connection with the acquisition and the exercise of the rights conferred by the patent and with the exploitation of the patented invention.

## Article 26

## Remedial Measures Under National Legislation

### Alternative A

Note: No article on remedial measures under national legislation.

### Alternative B

(1) Any Contracting State is free to provide appropriate measures to ensure compliance with the obligations referred to in the Article entitled "Obligations of the Right Holder," and for measures to remedy non-compliance with such obligations, including the grant of non-voluntary licenses and the revocation or forfeiture of the patent.

(2) A non-voluntary license under paragraph (1) shall be refused if the owner of the patent proves, to the satisfaction of the national authorities competent to grant non-voluntary licenses, that there are circumstances which justify the non-working or insufficient working of the patented invention.

(3) Any Contracting State is free to provide, at any time, on grounds of public interest, national security, nutrition, health, or the development of other vital sectors of national economy, for the grant of non-voluntary licenses or for the exploitation of the patented invention by the government of that country or by third persons authorized by it.

Article 27

Assembly

(1) [Composition] (a) The Union shall have an Assembly consisting of the Contracting Parties.

(b) Each Contracting Party shall be represented by one delegate, who may be assisted by alternate delegates, advisors and experts.

(c) The Union shall not bear the expenses of the participation of any delegation in any session of the Assembly.

(2) [Tasks] (a) The Assembly shall:

(i) deal with all matters concerning the maintenance and development of the Union and the implementation of this Treaty;

(ii) modify, where it considers it desirable, any time limit provided for in Articles 3 to 26 of this Treaty and make any consequential amendments necessitated by any such modification; the adoption of any such modification shall require unanimous consent;

(iii) adopt, where it considers it desirable, guidelines for the implementation of provisions of this Treaty or the Regulations under this Treaty;

(iv) exercise such rights and perform such tasks as are specifically conferred upon it or assigned to it under this Treaty;

[Article 27(2)(a), continued]

(v) give directions to the Director General concerning the preparations for any conference referred to in Article 31 or Article 32 and decide the convocation of any such conference;

(vi) review and approve the reports and activities of the Director General concerning the Union, and give him all necessary instructions concerning matters within the competence of the Union;

(vii) establish such committees and working groups as it deems appropriate to achieve the objectives of the Union;

(viii) determine which States and intergovernmental organizations, other than Contracting Parties, and which non-governmental organizations shall be admitted to its meetings as observers;

(ix) take any other appropriate action designed to further the objectives of the Union and perform such other functions as are appropriate under this Treaty.

(b) With respect to matters which are of interest also to other Unions administered by the Organization, the Assembly shall make its decisions after having heard the advice of the Coordination Committee of the Organization.

(3) [Representation] A delegate may represent one Contracting Party only.

[Article 27, continued]

(4) [Voting] (a) Subject to subparagraph (e), each Contracting Party that is a State shall have one vote and shall vote only in its own name.

(b) Any intergovernmental organization referred to in Article 33(1)(ii) that is a Contracting Party may exercise the right to vote of its member States that are Contracting Parties, [whether] present [or absent] at the time of voting. The intergovernmental organization may not, in a given vote, exercise the right to vote if any of its member States participates in the vote or expressly abstains.

(c) Provided that all its member States that are Contracting Parties have notified the Director General that their right to vote may be exercised by it, any intergovernmental organization referred to in Article 33(1)(iii) that is a Contracting Party may so exercise the right to vote of its member States that are Contracting Parties, [whether] present [or absent] at the time of voting. The intergovernmental organization may not, in a given vote, exercise the right to vote of any of its member States if any of them participates in the vote or expressly abstains.

(d) The right to vote of a State that is a Contracting Party may not, in a given vote, be exercised by more than one intergovernmental organization.

(e) No Contracting Party shall have the right to vote on questions concerning matters in respect of which it has made a declaration under Article 35.

[Article 27, continued]

(5) [Quorum] (a) One-half of the Contracting Parties that have the right to vote shall constitute a quorum, provided that, for the purposes of determining whether there is a quorum in respect of any question concerning any matter on which a declaration under Article 35 has been made, any Contracting Party not having the right to vote on that question shall not be counted.

(b) In the absence of the quorum, the Assembly may make decisions but, with the exception of decisions concerning its own procedure, all such decisions shall take effect only if the quorum and the required majority are attained through voting by correspondence.

(6) [Majorities] (a) Subject to paragraphs (2)(a)(ii) and (9)(b) of this Article and to Articles 29(2) and (3) and 30(4), the decisions of the Assembly shall require a majority of the votes cast.

(b) Abstentions shall not be considered as votes.

(7) [Sessions] (a) The Assembly shall meet once in every second calendar year in ordinary session upon convocation by the Director General and, in the absence of exceptional circumstances, during the same period and at the same place as the General Assembly of the Organization.

(b) The Assembly shall meet in extraordinary session upon convocation by the Director General, either at the request of one-fourth of the Contracting Parties or on the Director General's own initiative.

[Article 27, continued]

(8) [Rules of Procedure] The Assembly shall adopt its own rules of procedure.

(9) [Guidelines] (a) In the case of conflict between the guidelines referred to in paragraph (2)(a)(iii) and the provisions of this Treaty or the Regulations, the latter shall prevail.

(b) The adoption by the Assembly of the said guidelines shall require three-fourths of the votes cast.

Article 28

International Bureau

(1) [Tasks] The International Bureau of the Organization shall:

(i) perform the administrative tasks concerning the Union, as well as any tasks specifically assigned to it by the Assembly;

(ii) provide the secretariat of the conferences referred to in Articles 31 and 32, of the Assembly, of the committees and working groups established by the Assembly, and of any other meeting convened by the Director General under the aegis of the Union.

(2) [Director General] The Director General shall be the chief executive of the Union and shall represent the Union.

(3) [Meetings Other than Sessions of the Assembly] The Director General shall convene any committee and working group established by the Assembly and all other meetings dealing with matters of concern to the Union.

(4) [Role of the International Bureau in the Assembly and Other Meetings] (a) The Director General and any staff member designated by him shall participate, without the right to vote, in all meetings of the Assembly, the committees and working groups established by the Assembly, and any other meetings convened by the Director General under the aegis of the Union.

[Article 28(4), continued]

(b) The Director General or a staff member designated by him shall be ex officio secretary of the Assembly, and of the committees, working groups and other meetings referred to in subparagraph (a).

(5) [Conferences] (a) The Director General shall, in accordance with the directions of the Assembly, make the preparations for any conference referred to in Article 31 or Article 32.

(b) The Director General may consult with intergovernmental and international and national non-governmental organizations concerning the said preparations.

(c) The Director General and staff members designated by him shall take part, without the right to vote, in the discussions at any conference referred to in subparagraph (a).

(d) The Director General or a staff member designated by him shall be ex officio secretary of any conference referred to in subparagraph (a).

## Article 29

## Regulations

(1) [Content] The Regulations annexed to this Treaty provide rules concerning

(i) matters which this Treaty expressly provides are to be "prescribed";

(ii) any details useful in the implementation of the provisions of this Treaty;

(iii) any administrative requirements, matters or procedures.

(2) [Amending the Regulations] (a) The Assembly may amend the Regulations and shall determine the conditions for the entry into force of each amendment.

(b) Subject to paragraph (3), any amendment of the Regulations shall require three-fourths of the votes cast.

[Article 29, continued]

(3) [Requirement of Unanimity] (a) The Regulations may specify rules which may be amended only by unanimous consent.

(b) Exclusion, for the future, of any rule designated as requiring unanimous consent for amendment from such requirement shall require unanimous consent.

(c) Inclusion, for the future, of the requirement of unanimous consent for the amendment of any rule shall require unanimous consent.

(4) [Conflict Between the Treaty and the Regulations] In the case of conflict between the provisions of this Treaty and those of the Regulations, the former shall prevail.

## Article 30

## Settlement of Disputes

(1) [Consultations] (a) Where any dispute arises concerning the interpretation or implementation of this Treaty, a Contracting Party may bring the matter to the attention of another Contracting Party and request the latter to enter into consultations with it.

(b) The Contracting Party so requested shall provide, within the prescribed time limit, an adequate opportunity for the requested consultations.

(c) The Contracting Parties engaged in consultations shall attempt to reach, within a reasonable period of time, a mutually satisfactory solution of the dispute.

(2) [Other Means of Settlement] If a mutually satisfactory solution is not reached within a reasonable period of time through the consultations referred to in paragraph (1), the parties to the dispute may agree to resort to other means designed to lead to an amicable settlement of their dispute, such as good offices, conciliation, mediation and arbitration.

[Article 30, continued]

(3) [Panel] (a) The Assembly shall adopt rules for the establishment of a body of experts, any candidate having to be presented by a Contracting Party. It shall adopt rules concerning the manner of selecting the members of each panel, each panel having three members, none of which shall, unless the parties to the dispute agree otherwise, be from either party to the dispute. The Assembly shall also adopt rules for the conduct of the panel proceedings, including provisions to safeguard the confidentiality of the proceedings and of any material designated as confidential by any participant in the proceedings. Each panel shall give full opportunity to the parties to the dispute and any other interested Contracting Parties to present to it their views.

(b) If the dispute is not satisfactorily settled through the consultations referred to in paragraph (1), or if the means referred to in paragraph (2) are not resorted to, or do not lead to an amicable settlement within a reasonable period of time, the Director General, at the written request of either of the parties to the dispute, shall appoint members of a panel to examine the matter.

(c) The terms of reference of the panel shall be agreed upon by the parties to the dispute. However, if such agreement is not achieved within the prescribed time limit, the Director General shall set the terms of reference of the panel after having consulted the parties to the dispute and the members of the panel.

[Article 30(3), continued]

(d) If both parties to the dispute so request, the panel shall stop its proceedings.

(e) Unless the parties to the dispute reach an agreement between themselves prior to the panel's concluding its proceedings, the panel shall promptly prepare the draft of a written report containing a statement of the facts of the case and containing recommendations for the resolution of the dispute and provide it to the parties to the dispute for their review. The parties to the dispute shall have a reasonable period of time, the length of which shall be fixed by the panel, to submit any comments on the report to the panel, unless they agree to a longer time in their attempts to reach a mutually satisfactory resolution to their dispute.

(f) The panel shall take into account the comments and shall promptly transmit its final report to the Assembly, which report shall be accompanied by the written comments, if any, of the parties to the dispute.

(4) [Recommendation by the Assembly] The Assembly shall give the report of the panel prompt consideration. The Assembly shall make recommendations to the parties to the dispute, based upon its interpretation of this Treaty and the report of the panel. Any recommendation by the Assembly shall require consensus among the members of the Assembly other than the parties to the dispute.

## Article 31

## Revision of the Treaty

This Treaty may be revised by a conference of the Contracting Parties.

## Article 32

## Protocols

For the purposes of further developing the harmonization of patent law, protocols may be adopted by a conference of the Contracting Parties, provided that the provisions of any such protocol shall not contravene the provisions of this Treaty. Only Contracting Parties may become party to any such protocol.

## Article 33

## Becoming Party to the Treaty

(1) [Eligibility] The following may become party to this Treaty:

(i) any State which is a party to the Paris Convention for the Protection of Industrial Property and in respect of which patents may be obtained either through the State's own Office or through the Office of another Contracting Party;

(ii) any intergovernmental organization which is competent in matters governed by this Treaty and which has established, on such matters, norms that are binding on all its member States, provided that all those States are party to the Paris Convention for the Protection of Industrial Property;

(iii) any intergovernmental organization which maintains an Office granting patents with effect in more than one State, provided that all of its member States are party to the Paris Convention for the Protection of Industrial Property.

(2) [Signature; Deposit of Instrument] To become party to this Treaty, the State or the intergovernmental organization shall:

(i) sign this Treaty and deposit an instrument of ratification, or

(ii) deposit an instrument of accession.

[Article 33, continued]

(3) [Condition as to Effect of Instrument] (a) Any instrument of ratification or accession (hereinafter referred to as "instrument") may be accompanied by a declaration making it a condition to its being considered as deposited that the instrument of one State or one intergovernmental organization, or the instruments of two States, or the instruments of one State and one intergovernmental organization, specified by name and eligible to become party to this Treaty according to paragraph (1)(i) or (iii), is or are also deposited. The instrument containing such a declaration shall be considered to have been deposited on the day on which the condition indicated in the declaration is fulfilled. However, when the deposit of an instrument specified in the declaration is, itself, accompanied by a declaration of the said kind, that instrument shall be considered as deposited on the day on which the condition specified in the latter declaration is fulfilled.

(b) Any declaration made under paragraph (a) may be withdrawn, in its entirety or in part, at any time. Any such withdrawal shall become effective on the date on which the notification of withdrawal is received by the Director General.

## Article 34

## Effective Date of Ratifications and Accessions

(1) [Entry Into Force of the Treaty] This Treaty shall enter into force three months after eight States or intergovernmental organizations have deposited their instruments of ratification or accession.

(2) [Ratifications and Accessions Subsequent to the Entry Into Force of the Treaty] Any State or intergovernmental organization not covered by paragraph (1) shall become bound by this Treaty three months after the date on which it has deposited its instrument of ratification or accession, unless a later date has been indicated in the instrument. In the latter case, the said State or intergovernmental organization shall become bound by this Treaty on the date thus indicated.

## Article 35

## Reservations

Alternative A

Note: No article on reservations.

Alternative B

(1) [Possibility of Making Reservations] (a) Any instrument of ratification of, or accession to, this Treaty that is deposited not later than the end of the eighth calendar year after the year in which this Treaty has been adopted may be accompanied by a declaration making reservations to this Treaty as provided for in paragraphs (2) to (5).

(b) No reservations to this Treaty other than the reservations allowed under paragraphs (2) to (5) are permitted.

(2) [Fields of Technology] (a) Any State or intergovernmental organization may declare that, notwithstanding the provisions of Article 10, patents will not be granted by the competent Office in the fields of technology specified in its declaration, provided that such a declaration may only specify those fields of technology which, at the time of making the declaration, are fields for which that State or intergovernmental organization provides for the exclusion of the grant of patents.

[Article 35(2), Alternative B, continued]

(b) Any declaration made under subparagraph (a) by a developing country or by an intergovernmental organization all the members of which are developing countries shall lose its effect at the end of the fifteenth calendar year after the year in which this Treaty has been adopted. Any declaration made under subparagraph (a) by any other State or intergovernmental organization shall lose its effect at the end of the tenth calendar year after the year in which this Treaty has been adopted.

(3) [Certain Rights Conferred by Process Patents] (a) Any State which is a developing country or any intergovernmental organization all the members of which are developing countries and which, at the time of making the declaration, does not provide for the right referred to in Article 19(2)(ii) may declare that it will not apply that provision.

(b) Any declaration made under subparagraph (a) shall lose its effect at the end of the fifteenth calendar year after the year in which the Treaty has been adopted.

(4) [Term of Patent] (a) Any State or intergovernmental organization which, at the time of making the declaration, provides for a term of the patent other than that referred to in Article 22 may declare that it will not apply that provision.

[Article 35(4), Alternative B, continued]

(b) Any declaration made under subparagraph (a) by a developing country or by an intergovernmental organization all the members of which are developing countries shall lose its effect at the end of the fifteenth calendar year after the year in which the Treaty has been adopted. Any declaration made under subparagraph (a) by any other State or intergovernmental organization shall lose its effect at the end of the tenth calendar year after the year in which the Treaty has been adopted.

(5) [Reversal of Burden of Proof] (a) Any State which is a developing country or any intergovernmental organization all the members of which are developing countries and which, at the time of making the declaration, does not provide for the reversal of the burden of proof referred to in Article 24 may declare that it will not apply that provision.

(b) Any declaration made under subparagraph (a) shall lose its effect at the end of the fifteenth calendar year after the year in which the Treaty has been adopted.

## Article 36

## Special Notifications

(1) [States] (a) Any State in respect of which patents may be obtained only through the Office of another Contracting Party shall notify this fact and shall identify such Contracting Party.

(b) Any change in the fact notified by a State under subparagraph (a) shall be promptly notified by such State.

(2) [Intergovernmental Organizations Referred to in Article 33(1)(ii)] (a) Any intergovernmental organization referred to in Article 33(1)(ii) shall notify the list of its member States and, if its norms deal with only some of the matters covered by Articles 3 to 26, shall notify this fact and shall, among the provisions of the said Articles, identify those provisions with which its norms deal. The other provisions of the said Articles shall not bind the intergovernmental organization.

(b) If the norms of any intergovernmental organization referred to in subparagraph (a) later deal with any matter covered by Articles 3 to 26 concerning which the intergovernmental organization has not made a notification under subparagraph (a), the intergovernmental organization shall be bound by the corresponding provisions of this Treaty and shall promptly notify the relevant changes in its norms.

[Article 36, continued]

(3) [Intergovernmental Organizations Referred to in Article 33(1)(iii)] (a) Any intergovernmental organization referred to in Article 33(1)(iii) shall notify the list of its member States and, if its norms do not deal with any of the matters covered by Articles 19 to 26, shall notify this fact and shall, among the provisions of the said Articles, identify those provisions with which its norms do not deal. The latter provisions shall not bind the intergovernmental organization.

(b) If the norms of any intergovernmental organization referred to in subparagraph (a) later deal with any matter concerning which the intergovernmental organization has made a notification under subparagraph (a), the intergovernmental organization shall be bound by the corresponding provisions of this Treaty and shall promptly notify the relevant changes in its norms.

(4) [Time of Notification] (a) Any notification under paragraphs (1)(a), (2)(a) or (3)(a) shall accompany the instrument of ratification or accession.

(b) Any change under paragraphs (1)(b), (2)(b) or (3)(b) shall be notified promptly in a declaration addressed to the Director General.

## Article 37

## Denunciation of the Treaty

(1) [Notification] Any Contracting Party may denounce this Treaty by notification addressed to the Director General.

(2) [Effective Date] Denunciation shall take effect one year from the date on which the Director General has received the notification. It shall not affect the application of this Treaty to any application pending or any patent in force in respect of the denouncing Contracting Party at the time of the expiration of the said one-year period.

## Article 38

## Languages of the Treaty; Signature

(1) [Original Texts; Official Texts] (a) This Treaty shall be signed in a single original in the English, Arabic, Chinese, French, Russian and Spanish languages, all texts being equally authentic.

(b) Official texts shall be established by the Director General, after consultation with the interested Governments, in such other languages as the Assembly may designate.

(2) [Time Limit for Signature] This Treaty shall remain open for signature at the headquarters of the Organization for one year after its adoption.

## Article 39

## Depositary

The Director General shall be the depositary of this Treaty.

# DRAFT REGULATIONS UNDER THE TREATY SUPPLEMENTING THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY AS FAR AS PATENTS ARE CONCERNED (PATENT LAW TREATY)

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## Rule 1

## Definitions
## (ad Article 2)

(1) [“Treaty”; “Article”] (a) In these Regulations, the word “Treaty” means the Treaty Supplementing the Paris Convention for the Protection of Industrial Property as far as Patents Are Concerned (Patent Law Treaty).

(b) In these Regulations, the word “Article” refers to the specified Article of the Treaty.

(2) [Expressions Defined in the Treaty] The expressions defined in Article 2 for the purposes of the Treaty shall have the same meaning for the purposes of these Regulations.

[Rule 1, continued]

(3) [Means of Publication] For the purposes of Article 2(viii), an application, a search report, a patent or any change in a patent shall be deemed to be "accessible to the public" if any person so wishing, against payment or free of charge, can

(i) obtain from the Office paper copies of the application, the search report, the patent or the document reflecting the change,

(ii) inspect, at the Office, the application, the search report, the patent or the document reflecting the change and, on request, obtain from the Office paper copies thereof, or

(iii) take cognizance, by means of electronic communication, of the application, the search report, the patent or the change and make, if he so wishes, paper copies thereof.

## Rule 2

## Contents and Order of Description (ad Article 3(2))

(1) [Contents of Description] The description shall, after stating the title of the invention,

(i) specify the technical field or fields to which the invention relates;

(ii) indicate the background art which, as far as known to the applicant, can be regarded as useful for the understanding, searching and examination of the invention, and, preferably, cite the documents reflecting such background art;

(iii) describe the invention, as claimed, in such terms that the technical problem (even if not expressly stated as such) and its solution can be understood, and state the advantageous effects, if any, of the invention with reference to the background art;

(iv) where a deposit of biologically reproducible material is required under Article 3(1)(b), indicate the fact that the deposit has been made and identify at least the name and address of the depositary institution, the date of the deposit and the accession number given to the deposit by that institution, as well as describe, to the extent possible, the nature and the characteristics of such material, relevant to the requirement of disclosure of the invention;

[Rule 2(1), continued]

(v) briefly describe the figures in the drawings, if any;

(vi) set forth at least one mode for carrying out the invention claimed; this shall be done in terms of examples, where appropriate, and with reference to the drawings, if any; however, any Contracting Party may provide that the description set forth the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, priority date of the application;

(vii) indicate explicitly, when it is not otherwise obvious from the description or nature of the invention, the way or ways in which the invention satisfies the requirement of being useful or industrially applicable.

Alternative A

(2) [Manner and Order of Presentation of Contents] (a) The contents of the description shall be presented in the order specified in paragraph (1), unless, because of the nature of the invention, a different order would afford a better understanding or a more economical presentation.

Alternative B

(2) [Manner and Order of Presentation of Contents] The contents of the description shall be presented in the manner and order specified in paragraph (1), unless, because of the nature of the invention, a different manner or a different order would afford a better understanding or a more economical presentation.

[Rule 2(2), Alternative A, continued]

(b) Any Contracting Party may accept a description which does not contain the matters specified in paragraph (1)(i), (ii) and (v), or which contains, in lieu of the matter specified in paragraph (1)(iii), a description of the invention in any terms that satisfy the requirement of a disclosure of the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art.

(3) [Nucleotides and Amino Acid Sequences] Any Contracting Party may, where the application contains disclosure of a nucleotide or amino acid sequence, provide for special requirements concerning the place, mode and format of such disclosure.

## Rule 3

## Manner of Claiming
## (ad Article 4(5))

(1) [Consecutive Numbering] Where the application contains several claims, they shall be numbered consecutively in arabic numerals.

(2) [Method of Definition of Invention] The definition of the matter for which protection is sought shall be in terms of the technical features of the invention.

(3) [Form of Claim] Claims shall be written either

(i) in two parts, the first part consisting of a statement indicating those technical features of the invention which are necessary in connection with the definition of the claimed subject matter and which, in combination, appear to be part of the prior art, the second part ("the characterizing portion"), introduced by the words "characterized in that," "characterized by," "wherein the improvement comprises," or other words to the same effect, consisting of a statement indicating those technical features which, in combination with the features stated in the first part, define the matter for which protection is sought; or

(ii) in a single statement containing a recitation of a combination of several elements or steps, or a single element or step, which defines the matter for which protection is sought.

[Rule 3, continued]

(4) [References in the Claims to the Description and Drawings] (a) No claim may contain, in respect of the technical features of the invention, a reference to the description or any drawings, for example, such references as: "as described in part ... of the description," or "as illustrated in figure ... of the drawings," unless such a reference is necessary for the understanding of the claim or enhances the clarity or the conciseness of the claim.

(b) No claim may contain any drawing or graph. Any claim may contain tables and chemical or mathematical formulas.

(c) Where the application contains a drawing, the mention of any technical feature in a claim may, if the intelligibility of that claim can thereby be enhanced, include a reference sign to that drawing or to the applicable part of that drawing; such a reference sign shall be placed between square brackets or parentheses; it shall not be construed as limiting the claim.

(5) [Dependent and Multiple Dependent Claims] (a) Any claim which includes all the features of another claim of the same category or several other claims of the same category (hereinafter referred to as "dependent claim" and "multiple dependent claim," respectively) shall, preferably in the beginning, refer to the other claim or the other claims, as the case may be, by indicating the number of the other claim or the numbers of the other claims and shall then state those features claimed that are additional to the features claimed in the other claim or the other claims.

[Rule 3(5), continued]

(b) A dependent claim may depend on another dependent claim or on a multiple dependent claim. A multiple dependent claim may depend on a dependent claim or another multiple dependent claim. Multiple dependent claims may refer in the alternative or in the cumulative to the claims on which they depend.

(c) All dependent claims referring back to the same claim, and all multiple dependent claims referring back to the same claims, shall be grouped together in the most practical way possible.

## Rule 4

## Details Concerning the Requirement of Unity of Invention (ad Article 5(1))

(1) [Circumstances in Which the Requirement of Unity of Invention Is to Be Considered Fulfilled] Where a group of inventions is claimed, the requirement of unity of invention shall be fulfilled only when there is a technical relationship among those inventions involving one or more of the same or corresponding special technical features. The expression "special technical features" shall mean those technical features that define a contribution which each of those inventions, considered as a whole, makes over the prior art.

(2) [Determination of Unity of Invention Not Affected by Manner of Claiming] The determination whether a group of inventions is so linked as to form a single general inventive concept shall be made without regard to whether the inventions are claimed in separate claims or as alternatives within a single claim.

## Rule 5

## Divisional Applications
## (ad Article 5(1))

(1) [Time Limit] (a) The applicant may file one or more divisional applications at any time up to at least the time when the initial application is in order for grant.

(b) Notwithstanding subparagraph (a), any Contracting Party which establishes a time limit for compliance by the applicant with all requirements for the grant of a patent may provide that no divisional application may be filed during the six months preceding the expiration of that time limit.

(2) [Priority Documents] Priority documents and any translations thereof that are submitted to the Office in respect of the initial application shall be considered as having been submitted also in respect of the divisional application or applications.

## Rule 6

## Manner of Identification and Mention of Inventor (ad Article 6)

(1) [Manner of Identification and Mention] (a) The identification of the inventor referred to in Article 6(1)(a) shall consist of the indication of the inventor's name and address.

(b) The mention of the inventor referred to in Article 6(2) shall consist of at least the indication of the inventor's name.

(2) [Procedure in Case of Non-Compliance with Requirements] (a) If the application and the documents accompanying it do not comply with the requirements provided for under Article 6(1)(a) and, where applicable, Article 6(3), the Office shall invite the applicant to comply with the said requirements within a reasonable time limit.

(b) The application may not be rejected for failure to comply with the said requirements where such an invitation has not been extended to the applicant.

(3) [Corrections] The applicant may correct, at any time, the identification of the inventor given in accordance with Article 6(1)(a). Any Contracting Party may require the consent of any previously identified inventor before accepting such a correction.

## Rule 7

## Details Concerning the Filing Date Requirements (ad Article 8)

(1) [Time Limits] (a) The time limit referred to in Article 8(2)(a) shall be at least two months from the date on which the elements referred to in Article 8(1) have been received by the Office.

(b) The time limit referred to in Article 8(4) shall be at least two months from the date on which the application containing the reference to the previously filed application has been received by the Office.

(c) The time limit referred to in Article 8(5)(b) shall be at least two months from the date on which the item requiring translation has been received by the Office.

(2) [Procedure in Case of Non-Compliance with Requirements] If the application does not, at the time of its receipt by the Office, comply with any of the requirements of Article 8(1) or the applicable requirements, if any, of Article 8(2)(a), Article 8(4) or Article 8(5)(b) that the application must satisfy either on receipt or within the time limit applicable under paragraph (1), the Office shall promptly invite the applicant to comply with such requirement within a time limit fixed in the invitation, which time limit shall be at least one month from the date of the invitation or, where the non-compliance relates to a matter for which a time limit for compliance is established by paragraph (1), the time limit referred to in paragraph (1), whichever expires later. Compliance with the invitation may be subject to the payment of a special fee. Failure to send an invitation shall not alter the said requirements.

[Rule 7, continued]

(3) [Filing Date in Case of Correction] If, within the time limit fixed in the invitation referred to in paragraph (2), the applicant complies with the invitation and pays the required special fee, if any, the filing date shall be the date on which the elements referred to in Article 8(1) have been received by the Office. Otherwise, the application shall be treated as if it had not been filed.

(4) [Date of Receipt] Each Contracting Party shall be free to determine the circumstances in which the receipt of a document by a branch or sub-office of an Office, by a national Office on behalf of an intergovernmental organization having the power to grant regional patents, or by an official postal service, shall be deemed to constitute receipt of the document by the Office concerned.

(5) [Correction of Translations] Any translation of the parts of the application, or of the text matter, referred to in Article 8(5)(b) and (c) may be corrected at any time up to the time when the application is in order for grant in order to conform to the wording of those parts or that text matter furnished in a language other than the official language.

## Rule 8

## Announcement in the Gazette of the Publication of an Application (ad Article 15(1))

The publication of an application shall be announced in the official gazette with an indication of at least the following data:

(i) the name of the applicant,

(ii) the title of the invention,

(iii) the filing date and the serial number of the application,.

(iv) where priority is claimed, the filing date and the serial number of the application the priority of which is claimed and the name of the Office with which that application was filed,

(v) if available, the symbols of the International Patent Classification.

## Rule 9

## Announcement in the Gazette of the Publication of a Change in a Patent (ad Article 17(5))

The publication of a change in a patent shall be announced in the official gazette with an indication of at least the following data:

(i) the name of the owner of the patent,

(ii) the serial number of the patent,

(iii) the date of the change,

(iv) the nature of the change.

Rule 10

Announcement in the Gazette of the
Grant of a Patent
(ad Article 18(1)(b))

The grant of a patent shall be announced in the official gazette with an indication of at least the following data:

(i) the name of the owner of the patent,

(ii) the title of the invention,

(iii) the filing date and the serial number of the application,

(iv) where priority is claimed, the filing date and the serial number of the application the priority of which is claimed and the name of the Office with which that application was filed,

(v) the serial number of the patent,

(vi) if available, the symbols of the International Patent Classification.

## Rule 11

## Absence of Quorum in the Assembly (ad Article 27)

In the case provided for in Article 27(5)(b), the International Bureau shall communicate the decisions of the Assembly (other than those concerning the Assembly's own procedure) to the Contracting Parties having the right to vote which were not represented and shall invite them to express in writing their vote or abstention within a period of three months from the date of the communication. If, at the expiration of that period, the number of Contracting Parties having thus expressed their vote or abstentions attains the number of Contracting Parties which was lacking for attaining the quorum in the session itself, such decisions shall take effect provided that at the same time the required majority still obtains.

## Rule 12

## Requirement of Unanimity for Amending Certain Rules (ad Article 29(3))

Amendment of Rule 2(1)(vi) or Rule 3(3) of these Regulations shall require that no Contracting Party having the right to vote in the Assembly vote against the proposed amendment.

## Rule 13

## Settlement of Disputes
## (ad Article 30)

(1) [Time Limit for Consultations] The time limit referred to in Article 30(1)(b) shall be two months from the date of the request to enter into consultations.

(2) [Time Limit for Reaching Agreement on the Terms of Reference of the Panel] The time limit referred to in Article 30(3)(c) shall be three months from the date on which the Director General appointed the members of the panel.

[End of document]

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OF THE UNIVERSITY OF STRASBOURG

WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

# TRAINING COURSE ON THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF INDUSTRIAL PROPERTY

organized by the World Intellectual Property Organization (WIPO)

in cooperation with

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and

the National Institute of Industrial Property (INPI) of France

Strasbourg, September 16 to October 4, 1991

## THE PATENT COOPERATION TREATY (PCT) AND ITS IMPORTANCE TO DEVELOPING COUNTRIES

Document prepared by the International Bureau of WIPO

8990C/DCS

## INTRODUCTION

### The Traditional Patent System

1. The traditional patent system requires the filing of individual patent applications for each country for which patent protection is sought, with the exception of the regional patent systems such as the African Intellectual Property Organization (OAPI) system, the Harare Protocol system established in the framework of the African Regional Industrial Property Organization (ARIPO) and the European patent system. Under the traditional Paris Convention route, the priority of an earlier application can be claimed for applications filed subsequently in foreign countries but such later applications must be filed within 12 months of the filing date of the earlier application. This involves for the applicant the preparation and filing of patent applications for all countries in which he is seeking protection for his invention within one year of the filing of the first application. This means expenses for translation, patent attorneys in the various countries and payment of fees to the patent Offices, all at a time at which the applicant often does not know whether he is likely to obtain a patent or whether his invention is really new compared with the state of the art.

2. Filing of patent applications under the traditional system means that every single patent Office with which an application is filed has to carry out a formal examination of every single application filed with it. Where patent Offices examine patent applications as to substance, each of these Offices has to make a search to determine the state of the art in the technical field of the invention and has to carry out an examination as to patentability.

3. The principal difference between the traditional national patent system as just described and the regional patent systems such as those mentioned above is that a regional patent is granted by one patent Office for several States. Otherwise, the procedure is the same, and the explanations given in the preceding two paragraphs are equally valid.

### History of the PCT

4. In order to overcome some of the problems involved in the traditional system, the Executive Committee of the International (Paris) Union for the Protection of Industrial Property invited, in September 1966, BIRPI (the predecessor of WIPO) to undertake urgently a study of solutions to reduce the duplication of the effort both for applicants and national patent Offices. In 1967, a draft of an international treaty was prepared by BIRPI and presented to a Committee of Experts. In the following years, a number of meetings prepared revised drafts and a Diplomatic Conference held in Washington in

June 1970, adopted a treaty called the Patent Cooperation Treaty. The Patent Cooperation Treaty or "PCT" entered into force on January 24, 1978, and became operational on June 1, 1978, with an initial thirteen Contracting States. Today, PCT membership stands at 49 Contracting States*, a significant increase indicative of interest in the implementation of the Treaty.

5. The filing of international applications under the PCT commenced on June 1, 1978. Up to the end of 1990, the record copies of 96,871 international applications were received by the International Bureau of WIPO. Over 19,000 international applications were filed in 1990, replacing approximately 400,000 national filings.

6. These brief indications of the progress of the PCT merely demonstrate the certainty that many more countries, developing as well as developed, will become party to the PCT in the years ahead and that its use, evidenced by the number of applications filed, will continue to increase significantly.

## WHAT IS THE PCT?

7. As its name suggests, the Patent Cooperation Treaty is an agreement for international cooperation in the field of patents. It is often spoken of as being the most significant advance in international cooperation in this field since the adoption of the Paris Convention itself. It is, however, largely a treaty for rationalization and cooperation with regard to the filing, searching and examination of patent applications and the dissemination of the technical information contained therein. The PCT does not provide for the grant of "international patents": the task and responsibility to grant patents remains exclusively in the hands of the patent Offices of, or acting for, the countries where protection is sought (the "designated Offices"). The PCT does not compete with but, in fact, complements the Paris Convention. Indeed, it is a special agreement under the Paris Convention open only to States which are also party to the Paris Convention.

### Principal Objectives of the PCT

8. The principal objective of the PCT is to simplify and to render more effective and more economical--in the interests of the users of the patent system and the Offices which have responsibility for administering it--the previously established means of applying for patent protection for inventions where such protection is required in several countries.

9. Before the introduction of the PCT system, virtually the only means by which protection of the same invention could be obtained in several countries was by filing a separate application in each country; these applications, each being dealt with in isolation, involved a repetition of the work of filing and examination in each country. To achieve its objective mentioned, the PCT:

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* For the list of Contracting States, see the Annex.

--establishes an international system for the filing, with a single patent Office (the "receiving Office"), of a single application (the "international application") in one language having effect in each of the countries party to the PCT which the applicant names ("designates") in his application;

--provides for the formal examination of the international application by a single patent Office, the receiving Office;

--subjects each international application to an international search which results in a report citing the relevant prior art (mainly published patent documents relating to previous inventions) which may have to be taken into account in deciding whether the invention is patentable; that report is made available first to the applicant and, later, to other interested parties;

--provides for a centralized international publication of the international applications with the international search reports, as well as their communication to the designated Offices; and

--provides an option for an international preliminary examination of the international application which gives the Offices that have to decide whether or not to grant a patent, and the applicant, a report containing an opinion as to whether the claimed invention meets certain international criteria for patentability.

10. The procedure described in the preceding paragraph is commonly called the "international phase" of the PCT procedure, whereas one speaks of the "national phase" to describe the last part of the patent granting procedure which, as explained in paragraph 7, above, is the task of the designated Offices, i.e., the national* Offices of, or acting for, the countries which have been designated in the international application.

11. Even in the most favorably placed countries, patent Offices have been faced for years with problems of unduly high workload (leading to delays) and how to allocate resources to ensure that the patent system yields the greatest return from the available manpower. An important potential benefit of the PCT system is the rationalization of the work of the national patent Offices which it permits since much of their work is concerned with applications in respect of inventions for which protection is also sought in other countries or regions.

12. Further main objectives of the PCT are to ensure that only strong patents are granted by the patent Offices of the PCT Contracting States, to facilitate and accelerate access by industries and other interested sectors to technical information related to inventions and to assist developing countries in gaining access to technology.

## HOW DOES THE PCT SYSTEM FUNCTION?

### Who May File an International Application?

13. Any national or resident of a PCT Contracting State can file an international application. International applications can be filed in most cases with the national Office, which will act as a PCT receiving Office

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* In PCT terminology, a reference to "national" Office, "national" phase and "national" fees, includes the reference to the procedure before a regional patent Office.

(or in Western Europe also with the European Patent Office). Nationals and residents of the OAPI countries and of some other developing countries can file international applications with the International Bureau of WIPO, which acts as receiving Office for them.

What Is the Effect of an International Application?

14. An international application has the effect, as of the international filing date, of a national application in those PCT Contracting States which the applicant designates in his application (or as a European application if the applicant wants a European patent with effect in a designated State which is party to the European Patent Convention, or as an application for an OAPI patent if the applicant so desires).

Standardization of International Applications

15. The PCT prescribes certain standards for international applications. The application which is prepared in accordance with these standards, which are effective in all the PCT Contracting States, will be accepted by those States and no subsequent modifications because of varying national or regional requirements (and the cost associated therewith) will become necessary.

Costs of an International Application

16. Only a single set of fees is incurred for the preparation and filing of the international application and they are payable in one currency and at one Office (the receiving Office). Payment of national fees to the designated Offices is delayed. The national fees become payable much later than for a filing by the traditional Paris Convention route.

17. The fees payable to the receiving Office for an international application consist of three main elements:

- the transmittal fee--to cover the work of the receiving Office;

- the search fee--to cover the work of the International Searching Authority; and

- the international fee--to cover the work of the International Bureau.

In What Language Is the International Application Filed?

18. The language in which an international application can be filed depends upon the requirements of the receiving Office with which the application is filed. It is usually the national language. The main languages in which international applications may be filed are English, French, German, Japanese, Russian and Spanish; other languages are also accepted, so far: Danish, Dutch, Finnish, Icelandic, Norwegian and Swedish.

## The Function of the Receiving Office

19. The receiving Office, after having made a formal check and accorded an international filing date, sends a copy of the international application to the International Bureau of WIPO (the "record copy") and another copy (the "search copy") to the International Searching Authority. It keeps a third copy (the "home copy"). The receiving Office also collects all the PCT fees and transfers the search fee to the International Searching Authority and the international fee to the International Bureau.

## The International Search

20. Every international application is subjected to an international search, that is, a high quality search of the patent documents and patent related literature in those languages in which most patent applications are filed (English, French, German, Japanese, Russian and Spanish). The high quality of search is assured by the international standards prescribed in the PCT for the documentation, qualified staff and search methods of the International Searching Authorities, which are experienced patent Offices that have been specially appointed to carry out international searches by the Assembly of the PCT Union (the highest administrative body created under the PCT) on the basis of an agreement to observe PCT standards and time limits.

## Who Carries Out the International Search?

21. The following Offices have been appointed to act as International Searching Authorities: the Australian Patent Office, the Austrian Patent Office, the European Patent Office, the Japanese Patent Office, the Swedish Patent Office, the United States Patent and Trademark Office and the USSR State Committee for Inventions and Discoveries.

## What Documentation Is Consulted?

22. The International Searching Authorities are required to have at least the prescribed PCT minimum documentation, properly arranged for search purposes, which can be described in general as comprising the patent documents, as from 1920, of the major industrialized countries, together with agreed items of non-patent literature. The International Searching Authority, in making the search, must make use of its full facilities, i.e., the minimum documentation and any additional documentation it may possess. The obligation to consult at least the PCT minimum documentation guarantees a high level of international searching.

## The International Search Report

23. The results of the international search are given in an international search report, which is made available to the applicant by the fourth or fifth month after the application is filed. The citations of relevant prior art in the international search report enable the applicant to calculate his chances of obtaining a patent in or for the countries designated in the international application.

## Usefulness of the International Search Report

24. A search report which is favorable, that is to say, in which the citations of prior art would not prevent the grant of a patent, assists the applicant in the subsequent prosecution of the application before the designated Offices. The high quality of the international search assures the applicant that any patent granted is a "strong" patent, one which is unlikely to be successfully challenged, and thus provides a sound basis for investment or licensing actions.

25. The international search report assists designated Offices, in particular Offices which do not have technically qualified staff and an extensive collection of patent documents arranged in a manner suitable for search purposes, in examining a patent and otherwise evaluating the invention described in the application.

26. The international search report enables the applicant to decide whether it is worthwhile, in the light of the state of the art contained in the documents cited in the search report, to continue to seek protection for his invention in the designated States or to continue only after the claims in his international application have been amended to better delimitate the invention from the state of the art.

## The International-Type Search

27. For applications not filed under the PCT system, the PCT also provides a feature to strengthen national patent systems and to assist national Offices in the processing and granting of national patents. The national patent law can include provisions for an "international-type search" (provided for in Article 15(5) of the PCT) of purely national applications. This search is the same as an international search and is carried out by the International Searching Authority which the national Office appoints for carrying out international searches. Adoption of an international-type search mechanism has a two-fold benefit for the country. Firstly, it means that all patents would have been subjected to the same kind of search whether or not the corresponding applications took the PCT route. Secondly, national enterprises and inventors could have the benefits of an international-type search report even without filing an application under the PCT.

## Who Receives the International Search Report?

28. The International Searching Authority sends the international search report to the applicant and to the International Bureau. The International Bureau includes the search report in the international publication of the international application and sends a copy to each designated Office.

## International Publication

29. International publication serves two main purposes: to disclose to the public the invention, i.e., in general, the technological advance made by the inventor, and to set out the scope of the protection the inventor may ultimately obtain.

30. What is published? The International Bureau publishes a (PCT) pamphlet which contains, broadly, a front page setting out bibliographic data furnished by the applicant, together with data such as the International Patent Classification (IPC) symbol assigned by the International Searching Authority, the abstract and the drawings, the description, the claims and the international search report. If the claims under the international application have been amended, the claims are published both as filed and as amended.

31. When does publication take place? This occurs, in general, 18 months after the priority date of the international application.

32. In what language is the pamphlet published? The pamphlet is published in the language of the international application as filed, if that language is English, French, German, Japanese, Russian or Spanish (if, however, the international application is published in French, German, Japanese, Russian or Spanish, the title of the invention, the abstract and the international search report are also published in English). If the international application has been filed in another language, it is translated and published in English.

33. How does one select the pamphlets relating to a given field of technology? The publication of each pamphlet is announced in the PCT Gazette, which lists the published international applications in the form of entries reproducing the front pages of the pamphlets. Each issue of the PCT Gazette also contains a Classification Index, allowing the selection of the published international applications by technical fields.

34. How are the publications distributed? These publications, the pamphlet and the PCT Gazette, are distributed free of charge by the International Bureau on a systematic basis to all PCT Contracting States. They are now also available in CD-ROM format in searchable form. To the public, they are supplied on request, against payment of a fee.

## Optional International Preliminary Examination

35. Once the applicant has received the international search report, he has the possibility of requesting an international preliminary examination in order to obtain an opinion as to whether the claimed invention meets any or all of the following criteria: whether it appears to be novel, whether it appears to involve an inventive step and whether it appears to be industrially applicable. The international preliminary examination, which is provided for in Chapter II of the PCT, is of an optional nature for the PCT Contracting States. Only a few of the PCT Contracting States exclude at present Chapter II and most of them are considering a withdrawal of the reservation excluding that chapter in the near future. Chapter II is also optional for the applicant. The international application does not proceed automatically to an international preliminary examination but only upon a specific demand by the applicant for international preliminary examination in which he states his wish to use the results of such examination in specific States designated in the international application--in the procedure under Chapter II these are called the elected States to distinguish them from the designated States.

## The International Preliminary Examining Authorities

36. As in the case of the International Searching Authorities, the International Preliminary Examining Authorities are appointed by the Assembly of the PCT Union. The Offices which have been appointed are the same as those appointed as International Searching Authorities and the United Kingdom Patent Office.

## The Results of the International Preliminary Examination

37. The results of the international preliminary examination are given in a report which is made available to the applicant and the "elected Offices" (which are the Offices of, or acting for, the elected States) through the International Bureau, which is also responsible for translating the report, if required. The opinion on the patentability of the invention on the basis of the international criteria mentioned above provide the applicant with an even stronger basis for calculating his chances of obtaining patents and the elected Offices have an even better basis for their decision to grant a patent. Where patents are granted without examination as to substance, the international preliminary examination report will provide a solid basis for parties interested in the invention (e.g., for licensing purposes) to evaluate the validity of such a patent.

## How Do the Offices Designated in the International Application Receive the Application Documents and When?

38. Usually upon publication of the international application (but at the latest by the end of the 19th month after the priority date), the International Bureau communicates the international application to the designated Offices for the prosecution of the international application before them since, as explained above, the PCT is only a system for filing but not for granting patents, which remains the exclusive task and responsibility of the designated Offices. The designated Offices, and those Offices only, will make the decision whether or not to grant a patent. The international search report and, if any, the international preliminary examination report, are only intended to facilitate their task.

## When Does the Procedure Before the Designated (or Elected) Offices Start?

39. The processing of an international application before the designated (or elected) Offices--the national phase--may not start prior to the expiration of 20 months (or 30 months if Chapter II is applicable) from the priority date of the international application, unless the applicant requests an earlier start.

## Prosecution Before the Designated (or Elected) Offices

40. After having received an international search report and, where appropriate, an international preliminary examination report, and after having had the possibility of amending his application, the applicant is now in a good position to decide whether he has a chance of getting patents in the designated States. If he sees no likelihood, he can either withdraw his application or do nothing; in the latter case, the international application will lose the effect of a national or regional application and the procedure comes to an end. The applicant has in such a case saved himself great expense, namely, the costs involved when following the traditional Paris Convention route. He has not paid for applications and translations for the national and regional Offices, he has not paid fees to those Offices and he has not appointed local agents, all of which are required under the traditional Paris Convention route within only 12 months from the priority date and without having a good basis for evaluating the likelihood of obtaining a patent.

What Must the Applicant Do To Enter the National Phase and When?

41. Where the applicant decides to continue the procedure, and only in that event, he must pay the prescribed national fees to the designated (or elected) Offices and, if required, furnish to these Offices translations of his international application into their official language; a local agent may also have to be appointed. The furnishing of the translation and the payment of the national fees must be effected within 20 or 30 months from the priority date. Once the national processing starts, the normal national procedures apply, subject to only specific exceptions arising out of the PCT procedure (for example, matters of form and contents of the international application and the provision of copies of the priority document).

Information About the International Phase and the National Phase

42. WIPO has published a "PCT Applicant's Guide." Volume I of this Guide contains general information for users of the PCT (relating to the international phase); Volume II contains information on the procedure before the designated and elected Offices (national phase). Further information is regularly published in the PCT Gazette, Section IV, Notices and Information of a General Character.

## ADVANTAGES OF THE PCT SYSTEM

Advantages for Patent Offices

43. More and more patent Offices are having to consider how to employ to the greatest advantage their available manpower. This is true not only of the levels of patent applications which they must handle (in a country in the process of development, the level must surely rise considerably in the future as a consequence of an increase in the country's industrial activity) but even more of the expanding role that patent Offices are being required to fulfill in providing technical advisory services for local industry (on the basis of patent documentation and technically trained staff) either in terms of advising on available technologies or in connection with national research and development activities. The PCT assists patent Offices in meeting these demands in various ways.

44. Patent Offices can make economies in the cost of handling patent applications since the work of verification as to compliance with formal requirements becomes practically superfluous.

45. Patent Offices can save part of the cost of publishing. If the international application has been published in an official language of the country, they can forego publication altogether. Countries having a different official language may limit themselves to publishing only a translation of the abstract which accompanies international applications. Copies of the full text of the international application could be supplied upon request to interested parties.

46. The PCT does not affect the revenue of designated Offices unless they decide voluntarily to give a rebate on national fees in view of the savings they make through the PCT and in order to make the use of the international application route more attractive to the applicant. In any case, the most profitable source of revenue for most Offices are the annual fees or renewal fees and these fees are not affected by the Treaty.

47. Examining patent Offices are able to make substantial economies since the system renders superfluous all or most of the work of searching for most applications filed by foreigners and also--when an international preliminary examination report is required--most of the work of examination.

48. Non-examining Offices receive an application which has already been examined as to form, which is accompanied by an international search report and possibly by an international preliminary examination report. This will put the Office, and the national industry affected by a patent and/or interested in licensing, in a much better position compared to the traditional system of filing national or regional applications. National authorities involved in approving licensing agreements likewise benefit from the greater value of a patent granted on the basis of an international application.

Advantages for the Applicant

49. Inventors may file their application either in their own country (or with the competent regional Office) with effect in foreign countries and have more time to make up their minds as to those foreign countries in which they wish to seek protection, and in a typical case they have spent much less money in the stage prior to granting than otherwise.

50. If the applicant does not use the international procedure offered by the PCT, he must start preparations for filing abroad three to nine months before the expiration of the priority period. He must prepare translations of his application and must have them put into a more or less different form for each country. Under the PCT, the applicant, within the priority year, makes only one application (the international application), which may be identical both as to language and form with his own national or regional application.

51. The cost of further translation has to be met eventually, but not until eight (or 18) months later than under a procedure which does not use the PCT and only if the applicant, having seen the international search report and, where available, the international preliminary examination report also, is still interested in the countries concerned. These reports help the applicant to make up his mind whether it is worthwhile continuing his efforts. If he decides that it is not, he saves all subsequent costs.

Advantages for the National Economy and for Industry

52. In most countries (even developed countries), the majority of patent applications are filed by foreigners. This is a consequence of the need of the owner of new technology to obtain patent protection separately in or for each of several countries in which he is economically interested. Foreign filings are a basis for the inflow of technology. By facilitating the filing of patent applications, the PCT contributes to a country's acquisition of new technology.

53. By being able to offer the PCT route to foreign entrepreneurs owning patentable technology, a country will find them more willing to transfer (sell or license) their technology and will, in general, attract more foreign investment. The industrialization of the country is thus further promoted.

54. Of course, care needs to be taken to ensure that the freedom of the market is not hampered by unjustified (weak) patents. The PCT system helps to prevent this. Although it facilitates the filing of patent applications, the PCT also contains mechanisms which assist the national and regional patent systems in avoiding the grant of patents where this is not justified. Applications filed under the PCT first pass through the central processing mechanism of the international phase of the PCT procedure. They are centrally examined as to form, centrally searched as to novelty, centrally published and, where applicable, centrally examined as to patentability. When the PCT application reaches the national phase of the procedure for the grant of a patent, it is formally in order, publicly available in one of the most important languages (with an English language abstract, when not in English) and accompanied by an international search report and possibly an international preliminary examination report.

55. By adding to the national law the requirement that each national patent application must be accompanied by an international-type search report (see paragraph 27, above), the advantages of the PCT can be extended to national applications. This also contributes to eliminating worthless patents in developing countries and a wasteful duplication of effort in such countries by analyzing their validity and is a net gain for the national economy of a developing country.

Technical Information

56. A further important advantage of the PCT for developing countries lies in its information effect. It is now always very difficult to obtain a complete picture of all the patent documents published in many countries and many languages and of the most recent state of the art resulting therefrom. Since many important inventions are the subject of PCT applications, developing countries have, through the international publication of these applications, early and easier access to modern technological information. The access will be early, because international applications are published 18 months after the priority date of the application. It will be easier, because the application will be published in one of the most important languages and, where not in English, with an English language abstract, and because the international search report, published together with the application, will make it easier to evaluate the technology disclosed in the application.

Financial Commitments

57. The PCT system is now self-supporting since the fees paid by the applicants cover the costs incurred by WIPO in administering the system. The Contracting States ceased to pay deficit-covering contributions in 1983. In this connection, it is important to note that the PCT fees have not increased since 1985.

Conclusion

58. In conclusion, the PCT offers distinct advantages for developing countries participating in this new system of international patent cooperation and requires no payment of contributions. That there is sufficient awareness of these advantages, is confirmed by the impressive number of developing countries already party to the Treaty--23 out of a total of 49.

[Annex follows]

ANNEX

## PCT CONTRACTING STATES
## JUNE 1991
## (49)

| | |
|---|---|
| IN AFRICA: | Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Gabon, Guinea, Madagascar, Malawi, Mali, Mauritania, Senegal, Sudan, Togo.(16) |
| IN THE AMERICAS: | Barbados, Brazil, Canada, United States of America.(4) |
| IN ASIA AND THE PACIFIC: | Australia, Democratic People's Republic of Korea, Japan, Mongolia, Republic of Korea, Sri Lanka.(6) |
| IN EUROPE: | Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Norway, Poland, Romania, Soviet Union, Spain, Sweden, Switzerland, United Kingdom.(23) |

[End of Annex and of document]

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CENTER FOR INTERNATIONAL
INDUSTRIAL PROPERTY STUDIES
OF THE UNIVERSITY OF STRASBOURG

WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

NATIONAL INSTITUTE OF
INDUSTRIAL PROPERTY
OF FRANCE

# TRAINING COURSE ON THE LEGAL, ADMINISTRATIVE AND ECONOMIC ASPECTS OF INDUSTRIAL PROPERTY

organized by the World Intellectual Property Organization (WIPO)

in cooperation with

the Center for International Industrial Property Studies (CEIPI)
of the University of Strasbourg (France) and

the National Institute of Industrial Property (INPI) of France

Strasbourg, September 16 to October 4, 1991

## PATENTS

by Maître Christian Le Stanc
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Expert to the Commission of the European Communities
Attorney

8967C/DCS

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[End of document]

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Strasbourg, September 16 to October 4, 1991

## ORGANIZATION AND MANAGEMENT OF AN INDUSTRIAL PROPERTY OFFICE

by

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9045C/DCS

# THE INDUSTRIAL PROPERTY OFFICE

# ITS ORGANIZATION AND MANAGEMENT

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CONCLUSION

[End of document]